

MARYLAND
Tax Expenditures Report
Fiscal Year 2012

Presented to the Governor and General Assembly
by the Department of Budget and Management
January 2012

Martin O'Malley, Governor
Anthony G. Brown, Lieutenant Governor
T. Eloise Foster, Secretary

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**DEPARTMENT OF
BUDGET & MANAGEMENT**

MARTIN O'MALLEY
Governor

ANTHONY G. BROWN
Lieutenant Governor

T. ELOISE FOSTER
Secretary

January 31, 2012

The Honorable Martin O'Malley, Governor
The Honorable Thomas V. Mike Miller, Jr., President of the Senate
The Honorable Michael E. Busch, Speaker of the House of Delegates
The Honorable Members of the General Assembly

Ladies and Gentlemen:

The Department of Budget and Management is required by law to prepare on a biennial basis a statement of the estimated amount by which exemptions from taxation reduce State revenues and revenues collected by local governments. These foregone revenues are often called "tax expenditures" since the same benefits could be distributed using budgeted expenditures instead of a tax provision. This report, which covers fiscal years 2009-2012, is intended to assist the Governor and General Assembly in their respective reviews of the advantages and drawbacks of the tax expenditures.

I wish to acknowledge the individuals in the various tax-collecting agencies that contributed data and estimates for this report. Without their hard work and careful analysis, this report would not be possible.

Sincerely,

A handwritten signature in blue ink that reads "David A. Treasure".

David A. Treasure
Director
Office of Budget Analysis

cc: Secretary T. Eloise Foster

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Statistical Summary
Tax Expenditure by Function
(millions of dollars)

	FY09	FY10	FY11	FY12
I. Structural Tax Expenditures				
Income Tax Personal Exemption	593.6	599.5	605.5	611.6
Income Tax Standard Deduction	126.5	127.8	129.0	130.3
Total - Structural Tax Expenditures	720.1	727.3	734.6	741.9
II. Categorical Tax Expenditures				
Agriculture	91.9	80.1	83.7	88.1
Business	192.0	197.6	208.4	227.0
Charity	287.0	298.8	316.2	334.6
Education	42.6	43.7	56.6	60.5
Elderly	247.9	252.3	256.8	261.4
Employment - related	107.2	114.6	135.1	139.0
Environment	17.2	16.3	16.7	18.0
Families	1,019.5	1,014.7	997.1	995.7
Fire and Rescue	4.4	4.4	4.5	4.6
Handicapped and Disabled	0.4	0.4	0.4	0.4
Housing	818.4	879.7	950.6	1,031.7
Interstate Commerce	16.8	16.0	16.2	16.8
Medical and Health	244.0	245.6	253.7	265.0
Poverty	193.4	225.0	241.8	256.0
Religious	33.5	34.0	36.0	37.4
Veterans and Military	14.9	15.3	15.6	15.8
Volunteer and Nonprofit	6.0	6.5	6.7	6.9
Miscellaneous	373.7	348.3	387.0	383.5
Total - Categorical Tax Expenditures	3,710.8	3,793.3	3,983.1	4,142.4
III. Incidental Tax Expenditures				
Administrative	53.5	55.1	56.7	58.5
Double Taxation	1,445.8	1,449.4	1,541.6	1,648.7
Reciprocal Exemptions	45.5	43.8	44.2	44.7
Fuel for Non - Transportational Uses	2.2	2.2	2.2	2.2
Governments	464.1	468.6	488.6	510.1
Total - Incidental Tax Expenditures	2,011.1	2,019.1	2,133.3	2,264.1

Note: Totals may not add due to rounding. **“Various items not separable by category” no longer listed.**

Statistical Summary
Tax Expenditures by Tax
(millions of dollars)*

	FY09	FY10	FY11	FY12
Individual Income Tax**				
Elderly and Blind Exemptions	16.8	17.0	17.1	17.3
Itemized Deductions	1,122.5	1,208.9	1,302.6	1,414.2
Subtractions	389.5	397.4	407.0	416.1
Credits	440.4	453.9	490.1	514.0
Subtotal Individual Income Tax	1,969.2	2,077.2	2,216.8	2,361.6
Sales & Use Tax (no longer excludes several categories)	2,894.6	2,887.6	3,034.1	3,198.0
Insurance Premiums Tax	203.7	202.7	210.3	216.9
Corporation Income Tax** (excludes interest on U.S. obligations)	187.5	157.9	191.7	187.8
Motor Vehicle Titling Tax**(excludes vehicles for short-term rental)	60.9	64.1	67.0	72.7
Inheritance Taxes	42.8	44.2	44.6	45.1
Public Service Company Franchise Tax	6.4	6.3	6.3	6.3
Property Transfer Tax	13.2	10.1	9.1	8.2
State Property Tax	225.6	243.1	202.2	184.2
Motor Vehicle Fuel Tax**	56.6	54.8	55.4	56.0
Boat Titling Tax (excludes excise tax paid in other states)	2.0	1.0	0.7	0.5
Motor Vehicle Registration Fees **	4.7	4.5	4.5	4.6
Alcoholic Beverage Taxes	0.2	0.2	0.2	0.2
Tobacco Tax	No reliable estimate			
Grand Total*	5,667.4	5,753.7	6,042.9	6,342.1

* Does not include structural tax expenditures (income tax regular personal exemptions and standard deduction) and incidental tax expenditures (for example, exemptions for governments). Sales, corporate, and titling tax items are adjusted to reflect new tax legislation affecting fiscal 2010-2012.

** A portion of this foregone revenue is borne by local governments.

Note: Totals may not add due to rounding.

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Maryland's Tax Expenditure Reporting Law

Section 7-118 of the State Finance and Procurement Article requires the Department of Budget and Management (DBM) to prepare in every other year a statement of the estimated amount by which exemptions from taxation reduce revenues. This requirement is the basis of Maryland's tax expenditure report.

Classes of Tax Expenditures

For purposes of analysis, the report divides tax expenditures into three classes.

“Structural” Tax Expenditures

There are some items that are so inextricably a part of a tax structure that it is not reasonable to consider repealing them without other major adjustments in the tax law. The regular personal exemptions and the standard deduction of the personal income tax are in this class. Structural tax expenditures are also distinct from categorical tax expenditures (see next section) in that they are generally available to all rather than to selected groups of taxpayers.

“Categorical” Tax Expenditures

Most tax expenditures are classified as “categorical” expenditures. These are fairly narrow provisions that have an easily defined range of beneficiaries and a more or less discernable policy goal. In this report, these tax expenditures will be reported in two groupings. First, they will be grouped according to their primary beneficiary or purpose. Second, they will be reported again in order by tax.

“Incidental” Tax Expenditures

Some tax provisions are in the code to solve administrative problems or to avoid double-taxation. If the expenditure exists to avoid excessive administrative burdens, it is likely that repeal of the provision would add more to the cost of collecting the tax than it would generate in revenue.

Local Effects

Special note should be made to the effect of state tax changes on local expenditures. The most important instance of this is the “piggyback income tax,” an income tax that provides income tax revenue to local governments in Maryland but that is tied to the state income tax base and collected with the state income tax.

This tax is a major source of local government revenue in Maryland. In general, any tax expenditure from the individual income tax reduces total local revenue, on average, by roughly 62 percent of the amount it reduces state revenue. Tax expenditures due to income tax credits, other than the non-refundable earned income tax credit, only affect state revenues.

Technical Notes

Estimating tax expenditures is an inherently imprecise business. The estimator has to count dollars of revenue that are not collected. In some cases, such as tax expenditures that are delivered through refunds or credits, the revenue foregone can be measured with some precision. In other cases, the tax expenditure involves an activity that is exempt from both taxation and reporting requirements, and we must use outside sources of data to estimate the volume. For many provisions, there is simply no basis for a reliable estimate.

This section focuses on a number of the most important issues in tax expenditure estimating and discusses how they are handled in the report.

Measurement

The estimates of tax expenditures in this report measure the difference between existing tax collections and what they would be without the tax expenditure. Thus, the cost to the state from each tax expenditure is estimated as the revenue that would be produced if the activity that is the subject of a special tax provision were taxed at the general rate.

Difficulty from Attempting to Sum the Various Estimates

The revenue effect of repealing two or more tax expenditures at the same time may be more or less than the sum of the individual tax expenditure estimates. There are a variety of reasons for this.

There may be overlap between two tax expenditures. The income tax credit for earned income of individuals below the poverty level benefits many of those eligible for the earned income credit. If either one were repealed, the other provision would “catch” much of the income affected. If both were repealed, the revenue gain would be much larger than the sum of the two individual estimates.

In some cases, changing a tax expenditure from one tax will affect other tax revenues. For example, real estate taxes paid are an itemized deduction under the income tax. Eliminating a tax expenditure in the property tax would increase these deductions, and reduce income tax revenues. These interaction effects are not included in the estimates.

Data Sources

Administering agencies are the principal source for estimates of tax expenditures from the tobacco and alcoholic beverage taxes, the property tax, motor-vehicle taxes and fees, the excise tax on vessels and the insurance premium tax, in addition to the sales tax, the individual and corporation income taxes and the property transfer tax.

Notes on Particular Taxes

Individual Income Tax

The starting point for calculating the Maryland individual income tax is federal adjusted gross income (FAGI). Some provisions of the federal tax code make FAGI less than total “economic income” – the full value of all income received by the taxpayer. Examples include the exclusion from FAGI of public assistance benefits and employee fringe benefits.

The revenue foregone by the federal government as a result of these exclusions is counted as tax expenditures for *federal* purposes. The state component of such foregone revenue could be considered a state tax expenditure. However, this report does not include estimates of such tax expenditures.

There is a conceptual difficulty in separating the effect of the standard deduction from itemized deductions since for many taxpayers the standard deduction represents an alternative to itemized deductions. In this report, the standard deduction is considered a “structural” tax expenditure, while individual itemized deductions are considered “categorical” tax expenditures.

Sales Tax

Maryland’s sales tax base includes most tangible goods, as well as a few enumerated services. Some goods are specifically exempt from the tax as are certain purchasers of these items, for example, governments, charitable organizations, etc. The list of tax expenditures enumerates these exemptions.

Corporate Income Tax

The only tax expenditures from the corporate income tax reported here result from subtractions from income allowed in state law and the several state income tax credits.

Property Tax

Estimates of property tax expenditures include only the impact of exclusions on the state property tax. In general, exclusions from the state tax base are also exclusions from the local tax base, so the state tax expenditures are accompanied by local tax expenditures. The amount of the local tax expenditures depends on the tax rate set by each local government.

Property tax credits are not included in this report since funds required to pay those credits are appropriated through the regular budget process.

Admissions and Amusement Tax

These tax expenditures affect only local revenues, and are adopted by local governments. For these reasons, admissions and amusement tax expenditures are not catalogued in this report.

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Detail of Tax Expenditures

By Function

Fiscal Years 2009 – 2012

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I. Structural Tax Expenditures

Income tax personal exemptions

Legal reference: Art. TG Sec. 10-211

Local Effect: \$375.4M in FY11, \$379.2M in FY12

Individual income tax standard deduction

Legal reference: Art. TG Sec. 10-217

Local Effect: \$80.0M in FY11, \$80.8M in FY12

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Income tax personal exemptions	593.6	599.5	605.5	611.6
Individual income tax standard deduction	126.5	127.8	129.0	130.3
	<u>720.1</u>	<u>727.3</u>	<u>734.6</u>	<u>741.9</u>

II. Categorical Tax Expenditures
1. Agriculture and Fisheries

Corporate income tax subtraction for conservation tillage equipment
 Legal reference: Art. TG Sec. 10-308

No reliable estimate

Corporate income tax subtraction for reforestation & timber stand improvement
 Legal reference: Art. TG Sec. 10-308

No reliable estimate

Corporate income tax subtraction for manure spreading equipment
 Legal reference: Art. TG Sec. 10-308

No reliable estimate

Corporate income tax credit for commercial fertilizer costs
 Legal reference: Art. TG Sec. 10-704.9
 Note: No credits ever claimed. Program sunset 1/01/09

0.0 0.0 0.0 0.0

Refund of aviation fuel tax used for agricultural purposes
 Legal reference: Art. TG Sec. 13-901

No reliable estimate

Refund of fuel tax for fuel used for agricultural purposes
 Legal reference: Art. TG Sec. 13-901
 Note: Of this total, 7.8% would be distributed to local governments in FY 2012.

0.1 0.1 0.1 0.1

Personal income tax subtraction for conservation tillage equipment
 Legal reference: Art. TG Sec. 10-208

No reliable estimate

Millions of Dollars

	FY 09	FY 10	FY 11	FY 12
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1. Agriculture and Fisheries (Continued)

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Personal income tax subtraction for donated farm products Legal reference: Art. TG Sec. 10-208	No reliable estimate			
Personal income tax subtraction for reforestation & timber stand improvement Legal reference: Art. TG Sec. 10-208	No reliable estimate			
Personal income tax credit up to \$500 for the purchase of aquaculture oyster floats Legal reference: Art. TG Sec. 10-724	0.2	0.2	0.2	0.2
Exemption from the sales tax of sales for agricultural purposes & of agricultural products Legal reference: Art. TG Sec. 11-201	87.0	75.4	78.9	83.1
Exemption from the sales tax of sales of crabs & seafood for consumption off-premises Legal reference: Art. TG Sec. 11-206	2.1	2.1	2.1	2.2
Exemption from the sales tax of sales of seafood harvesting equipment Legal reference: Art. TG Sec. 11-218	2.5	2.4	2.4	2.5
Exemption from the sales tax of sales of multifuel pellet stoves designed to burn agricultural field corn Legal reference: Art. TG Sec. 11-226 Note: Expected to cost about \$25,000 annually.	No reliable estimate			
Exemption of farm equipment from vehicle title requirements Legal reference: Art. TR Sec. 13-102	No reliable estimate			
	91.9	80.1	83.7	88.1

2. Business

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Exclusion of the value of trade-ins from the boat tax Legal reference: Art. NR Sec. 8-716	1.8	0.8	0.5	0.4
Corporate income tax subtraction for dividends for domestic corporations claiming foreign tax credits Legal reference: Art. TG Sec. 10-307	5.6	6.1	7.0	6.5
Corporate income tax subtraction for dividends of domestic international sales corporation & foreign subsidiary Legal reference: Art. TG Sec. 10-307	No reliable estimate			
Corporate income tax subtraction for dividends from related foreign corporations Legal reference: Art. TG Sec. 10-307	13.9	10.9	12.5	11.5
Corporate income tax subtraction for exempt-interest dividends paid by regulated investment companies Legal reference: Art. TG Sec. 10-308	No reliable estimate			

2. Business (Continued)

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Corporate income tax subtraction for wage expenses disallowed under federal targeted jobs credit Legal reference: Art. TG Sec. 10-308.	No reliable estimate			
Corporate income tax gain/loss adjustment for utility company stranded costs Legal reference: Art. TG Sec. 10-309. Subtraction last claimed in TY03 at \$8.6 m.	0.0	0.0	0.0	0.0
Enterprise zone tax credit on corporate income tax Legal reference: Art. TG Sec. 10-702	0.9	1.0	1.0	1.0
Corporate income tax credit for purchase of Maryland-mined coal Legal reference: Art. TG Sec. 10-704.1	0.0	0.0	0.0	0.0
Corporate income tax credit for 60% of property tax paid by telecom businesses on operating property other than land Legal reference: Art. TG Sec. 10-708	8.5	8.5	10.5	10.5
Corporate income tax credit for 60% of property tax paid by electric utilities on operating property other than land Legal reference: Art. TG Sec. 10-712	Repealed 6/01/2006			

2. Business (Continued)

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Corporate income tax credit of 25% of wages paid to employees of multijurisdictional electric companies Legal reference: Art. TG Sec. 10-713	Repealed 1/01/2006			
Corporate income tax credit for qualified R&D expenses Legal reference: Art. TG Sec. 10-721	6.0	6.0	6.0	6.0
Corporate Income Tax Credit for Cellulosic Ethanol Technology R&D Legal reference: Art. TG Sec. 10-726 Note: Tax credits could be claimed beginning in tax year 2008	0.2	0.2	0.2	0.2
Corporate Income Tax Credit for Bio-heating oil for use in space or water heating Legal reference: Art. TG Sec 10-727 Note: Sunsets June 30, 2013. Effective July 1, 2008	0.1	0.3	0.3	0.3
Corporate Income Tax Credit for Qualified Film Production Entities Legal reference: Art. TG Sec 10-730 Note: Used to be a rebate until HB 672 (2011)	1.3	0.3	0.5	4.8
Personal Income Tax Credit for Qualified Film Production Entities Legal reference: Art. TG Sec 10-730 Note: Used to be a rebate until HB 672 (2011)	1.3	0.3	0.5	4.8
Refund for aviation fuel dispensed to aircraft by an aircraft manufacturing company located in the State Legal reference: Art. TG Sec. 13-901 Note: Of this total, 7.8% would be distributed to local governments in FY 2012.	0.1	0.1	0.1	0.1

2. Business (Continued)

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Personal income tax subtraction for provision of targeted jobs Legal reference: Art. TG Sec. 10-208	No reliable estimate			
Enterprise Zone tax credit on personal income taxes Legal reference: Art. TG Sec. 10-702	0.3	0.3	0.2	0.2
Personal income tax credit for purchase of MD-mined coal Legal reference: Art. TG Sec. 10-704.1 Note: All credits taken are by corporations.	0.0	0.0	0.0	0.0
Personal income tax credit for qualified R&D expenses Legal reference: Art. TG Sec. 10-721 Note: Maximum annual credit - \$6 million; virtually all is taken by corporations.	Negligible			
Personal Income Tax Credit for Cellulosic Ethanol Technology R&D Legal reference: Art. TG Sec. 10-726 Note: Tax credits could be claimed beginning in tax year 2008	0.0	0.0	0.1	0.1
Personal Income Tax Credit for Bio-heating oil for use in space or water heating Legal reference: Art. TG Sec 10-727 Note: Sunsets June 30, 2013. Effective July 1, 2008	Negligible			
One Maryland Economic Development tax credit against the Insurance premiums tax for certain economic development projects Legal reference : Art. Ins Sec.6-119	Entire credit included in Corp. & Ind. Income Tax			
Property used for heating/cooling of state owned/occupied property Legal reference: Art. TP Sec. 7-210,11 Note: No revenue loss; properties potentially affected are already tax exempt.	0.0	0.0	0.0	0.0

2. Business (Continued)

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Exemption from property tax of landing areas at privately owned, public use airports Legal reference: Art. TP Sec. 7-303 Note: Tax expenditure is under \$5k annually.	No reliable estimate			
Exemption from the public service company franchise tax of internet services Legal reference: Art. TG Sec. 8-401	No reliable estimate			
Public service company franchise tax credit for purchase of MD-mined coal Legal reference: Art. TG Sec. 8-406. Note: HB 101 (2009) reduced the cap to \$4.5 Million for 2009-2012; \$6 Million for 2013-2014; \$3 Million for 2015-2020. Phased out 2021.	4.5	4.5	4.5	4.5
Public service company franchise tax credit for sales to large industrial customers for production activity Legal reference: Art. TG Sec 8-417	1.6	1.5	1.5	1.5
Property tax credit for the Urban Enterprise Zone Tax Credit Legal reference: Art. TP Sec 9-103	4.7	17.5	15.2	19.0
Property tax credit for the BRAC Zone Tax Credit Legal reference: Art. TP Sec 5-105	N/A	N/A	0.2	0.4
Exemption from the property transfer tax for conversion of foreign entities to LLCs Legal reference: Art. TP Sec 13-207	No reliable estimate			
Exemption from the sales tax for the "core value" of used truck parts exchanged for remanufactured parts Legal reference: Art. TG Sec. 11-101	0.1	0.1	0.1	0.1

2. Business (Continued)

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Exemption from the sales tax of cylinder demurrage charges Legal reference: Art. TG Sec. 11-202	0.7	0.7	0.7	0.7
Exemption from the sales tax of sales to cemetery companies Legal reference: Art. TG Sec. 11-204	No reliable estimate			
Exemption from the sales tax of sales to credit unions Legal reference: Art. TG Sec. 11-204	0.3	0.3	0.3	0.3
Exemption from the sales tax of certain transfers of business property Legal reference: Art. TG Sec. 11-209	No reliable estimate			
Exemption from the sales tax of sales of tangible personal property used predominantly in a Legal reference: Art. TG Sec. 11-210	89.2	88.5	94.8	99.9
Exemption from the sales tax of sales of certain bakery equipment Legal reference: Art. TG Sec. 11-210 Note: Probably under \$25,000 annually.	No reliable estimate			
Exemption from the sales tax of sales of certain telecommunications machinery & equipment to enable digital broadcasting Legal reference: Art. TG Sec. 11-210 Note: Expected to total \$1.7m over FY00-05; sunsets 1/1/08.	0.0	0.0	0.0	0.0
Exemption from the sales tax of sales of machinery & utilities used to produce bituminous concrete Legal reference: Art. TG Sec. 11-210	0.3	0.3	0.3	0.3

2. Business (Continued)

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Exemption from the sales tax of sales of wood products & fuel for mining purposes Legal reference: Art. TG Sec. 11-212	No reliable estimate			
Exemption from the sales tax of sales of diesel fuel used in coal mine reclamation Legal reference: Art. TG Sec. 11-212 Note: Less than \$20,000 annually.	No reliable estimate			
Exemption from the sales tax of the use of nonresidential personal property Legal reference: Art. TG Sec. 11-214	No reliable estimate			
Exemption from the sales tax of sales of precious metal coins or bullion over \$1,000 Legal reference: Art. TG Sec. 11.214	1.5	2.0	2.4	2.9
Exemption from the sales tax for sales & printing of free newspapers Legal reference: Art. TG Sec. 11-215	3.3	3.3	3.4	3.6
Exemption from the sales tax for sales of out-of-state direct mail advertising materials Legal reference: Art. TG Sec. 11-215	3.9	3.9	4.0	4.3
Exemption from the sales tax of sales of photographic & artistic materials used in publication Legal reference: Art. TG Sec. 11-215	10.2	10.1	10.6	11.2
Exemption from the sales tax of certain sales for research & development purposes Legal reference: Art. TG Sec. 11-217	21.9	20.8	21.0	21.8
Exemption from the sales tax of sales of fuel or repair parts for commercial vessels Legal reference: Art. TG Sec. 11-218	No reliable estimate			

2. Business (Continued)

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Exemption from the sales tax of optional computer software maintenance contracts Legal reference: Art. TG Sec. 11-219	6.5	6.4	6.7	7.1
Exemption from the sales tax of sales of certain computer programs Legal reference: Art. TG Sec. 11-225	2.4	2.3	2.3	2.4
Exemption from the sales tax of sales of property or services used in film production activity Legal reference: Art. TG Sec. 11-227	0.5	0.5	0.4	0.4
Exemption from the sales tax of sales of power to operate equipment for producing snow for commercial purposes Legal reference: Art. TG Sec. 11-229 Note: Probably under \$10,000 annually	No reliable estimate			
Exemption from the sales tax of sales of space at corporate training centers Legal reference: Art. TP Sec. 11-231 Note: Tax Exempt as per HB 855 (2010)	0.4	0.4	0.4	0.4
Exemption from the titling tax for registered passenger buses Legal reference: Art. TR Sec. 13-810	No reliable estimate			
Exemption from the titling tax for registered truck tractors Legal reference: Art. TR Sec. 13-810	No reliable estimate			

2. Business (Continued)

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Personal income tax credit for certain property taxes paid by a telecommunications business	0.0	0.0	0.0	0.0
Legal reference: Art. TG. Sec. 10-708 Note: Credit is not claimed by individual income taxpayers.				
Exemption from the transfer tax for corporate or partnership conveyances Legal reference: Art. TP Sec. 13-207			No reliable estimate	
Exemption from the transfer tax for mergers, consolidations or transfers from partnership to a LLC Legal reference: Art. TP Sec. 13-207			No reliable estimate	
Exemption from the transfer tax for transfers of corporate property between related corporations Legal reference: Art. TP Sec. 13-207			No reliable estimate	
Exemption from the transfer tax for transfers upon conversion of joint venture or sole proprietorship to a LLC Legal reference: Art. TP Sec. 13-207			No reliable estimate	
	192.0	197.6	208.4	227.0

3. Charity

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Exemption from the boat tax of vessels purchased by charitable organizations Legal reference: Art. NR Sec. 8-716 Note: Estimated at less than \$30,000 annually.	Negligible			
Refund of the fuel tax to the Red Cross. Legal reference: Art. TG Sec. 13-901	No reliable estimate			
Personal income tax deduction for charitable contributions Legal reference: Art. TG Sec. 10-204 Note: Local effect is \$142.6 million in FY12	191.6	204.2	217.3	230.0
Exemption from the sales tax of sales to charitable organizations Legal reference: Art. TG Sec. 11-204	95.4	94.6	98.9	104.6
Exemption from registration fees for vehicles owned by the Red Cross Legal reference: Art. TR Sec. 13-903 Note: Misc and other registration fee exemptions estimated at \$0.3m in FY12; this item represents part of that total.	No reliable estimate			
Exemption from the titling tax of Red Cross Vehicles Legal reference: Art. TR Sec. 13-810	No reliable estimate			
	287.0	298.8	316.2	334.6

4. Education

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Corporate income tax credit for student work-based learning programs Legal reference: Art. TG Sec. 10-711 Note: Sunsets June 30, 2013.	0.0	0.1	0.1	0.1
Personal Income tax subtraction for amounts contributed to prepaid tuition plans Legal reference: Art. TG Sec. 10-207	No reliable estimate			
Personal income tax subtraction for contributions to investment accounts Legal Reference: Art. TG Sec. 10-208 Note: Applies for the Maryland College Investment Plan and the Maryland Broker-Dealer College Investment Plan. May not exceed \$2,500 per beneficiary.	0.2	1.4	2.6	3.8
Personal income tax credit for student work-based learning programs. Legal reference: Art. TG Sec. 10-711 Note: Sunsets June 30, 2013; less than \$25,000 claimed annually.	Negligible			
Personal income tax credit for expenses incurred by classroom teachers for advanced education Legal reference: Art. TG Sec. 10-717	6.6	6.5	7.0	7.4
Insurance premiums tax credit for student work-based learning programs Legal reference: Art. INS Sec. 6-118 Note: Sunsets 6/30/13. Established in 1998.	No reliable estimate			

4. Education (Continued)

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Exemption from the property tax of property for educational uses Legal reference: Art. TP Sec. 7-202	3.5	3.8	4.2	4.5
Public service company franchise tax credit for student work-based learning prog. Legal reference: Art. TG Sec. 8-415	No reliable estimate			
Exemption from the sales tax of certain fund raising sales to benefit school/students Legal reference: Art. TG Sec. 11-204	1.2	1.2	1.2	1.3
Exemption from the sales tax of sales to educational organizations Legal reference: Art. TG Sec. 11-204	11.1	11.0	11.5	12.2
Exemption from the sales tax of sales of food at Schools, Colleges & Universities Legal reference: Art. TG Sec. 11-206	19.9	19.6	20.4	21.0
Back to school clothing and footwear sales tax exemption. Legal reference: Art. TG Sec. 11-228 Note: A tax free holiday is scheduled for FY11.	0.0	0.0	9.6	10.1
Exemption from the titling tax of buses used for public school transportation Legal reference: Art. TR Sec. 13-810	No reliable estimate			
Exemption from the titling tax of vehicles owned by private schools Legal reference: Art. TR Sec. 13-810	No reliable estimate			
	42.6	43.7	56.6	60.5

5. Elderly	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Personal income tax subtraction for federally-taxed social security & railroad retirement benefits Legal reference: Art. TG Sec. 10-207 Note: Local effect is \$86.7 million in FY12.	135.7	137.1	138.4	139.8
Personal income tax pension exclusion. Legal reference: Art. TG Sec. 10-209 Note: Local effect is \$64.1 million in FY12.	94.6	97.4	100.4	103.4
Additional personal income tax exemptions for the blind and elderly Legal reference: Art. TG Sec. 10-211 Note: Local effect is \$10.7 million in FY12.	16.8	17.0	17.1	17.3
Exemption from the property tax of nonprofit housing for the elderly Legal reference: Art. TP Sec. 7-202	0.5	0.5	0.5	0.6
Exemption from property tax of continuing care facilities for the aged Legal reference: Art. TP Sec. 7-206	No reliable estimate			
Exemption from the sales tax of sales under \$500 to nonprofit senior citizens' orgs Legal reference: Art. TG Sec. 11-204	No reliable estimate			
Exemption from the sales tax of residential sales of electricity to a non-profit planned retirement community Legal reference: Art. TG Sec. 11-207	0.3	0.3	0.3	0.3
	247.9	252.3	256.8	261.4

6. Employment-related

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Corporate income tax credit for job creation (Job Creation Tax Credit) Legal reference: Art. TG Sec. 10-704.4 Note: Sunsets January 1, 2014	0.9	1.3	1.3	1.5
Corporate income tax credit for businesses that create new jobs Legal reference: Art. TG Sec. 10-704.8	1.5	1.5	1.5	1.5
Corporate income tax credit for employing qualified ex-felons Legal reference: Art. TG Sec. 10-704.10 Note: Sunsets December 31, 2011. Less than \$10,000 claimed in any fiscal year	Negligible			
Job Creation and Recovery Tax Credit for the corporate income tax Legal reference: Art. TG Sec. 10-728	0.0	0.0	2.5	0.0
Job Creation and Recovery Tax Credit for the personal income tax Legal reference: Art. TG Sec. 10-728	0.0	0.0	7.5	0.0
Corporate income tax credit for ONE Maryland project/startup costs Legal reference: Art. TG Sec. 10-714 Note: only "project" credit; "start-up" portion included under individual income tax	4.2	4.3	7.7	9.2
Personal income tax credit for ONE Maryland project/startup costs Legal reference: Art. TG Sec. 10-714 Note: only "start-up" credit; "project" portion included under individual income tax	0.5	0.5	0.5	0.5
Personal income tax itemized deduction for job expenses Legal reference: Art. TG Sec. 10-204	80.7	87.6	94.6	106.7

6. Employment-related (Continued)

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Personal income tax subtraction for pickup contributions for pension & retirement systems	No reliable estimate			
Legal reference: Art. TG Sec. 10-207				
Personal income tax subtraction for employment-related household & dependent care	17.8	18.0	18.2	18.4
Legal reference: Art. TG Sec. 10-208				
Note: Local effect is \$11.4 million in FY12.				
Personal income tax credit for job creation (Job Creation Tax Credit)	0.2	0.1	0.1	0.1
Legal reference: Art. TG Sec. 10-704.4				
Note: Sunsets January 1, 2014				
Personal income tax credit for businesses that create new jobs	included entirely in corporate income tax section			
Legal reference: Art. TG Sec. 10-704.8				
Personal income tax credit for employing qualified ex-felons	0.3	0.3	0.1	0.0
Legal reference: Art. TG Sec. 10-704.10				
Note: Sunsets December 31,2011. Less than \$10,000 claimed in any fiscal year				
Insurance premiums tax credit for job creation.	0.6	0.6	0.6	0.6
Legal reference: Art. INS Sec. 6-114				
Note: Applies for employees hired after 1/1/96.				
Insurance premiums tax credit for businesses that create new jobs	No reliable estimate			
Legal reference: Art. INS Sec. 6-116				
Public service company franchise tax credit for job creation	No reliable estimate			
Legal reference: Art. TG Sec. 8-411				

6. Employment-related (Continued)

Individual income tax - costs associated with One Maryland economic development projects

Legal reference: Art.TG Sec. 10-711

Note: Only "start-up" credit; "project" credit included in Corporate Tax

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
	0.5	0.5	0.5	0.5
	-	-	-	-
	<hr/> 107.2	<hr/> 114.6	<hr/> 135.1	<hr/> 139.0

7. Environment

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Corporate income tax credit for employer-provided commuter benefits Legal reference: Art. TG Sec. 10-715	0.7	0.7	1.0	1.0
Corporate income tax credit for costs of solar water heating or photovoltaic property placed in service Legal reference: Art. TG Sec. 10-719 Note: Converted to a budgeted grant program 1/1/05; No claims in FY06 and only one in FY07.	0.1	0.1	0.0	0.0
Corporate income tax credit for "green buildings" construction & rehabilitation costs Legal reference: Art. TG Sec. 10-722	0.0	0.0	2.5	2.5
Corporate Tax Credit for Electric Vehicle Recharging Equipment Legal reference: Art. TG Sec. 10-729	0.0	0.0	0.0	0.2
Personal Tax Credit for Electric Vehicle Recharging Equipment Legal reference: Art. TG Sec. 10-729	0.0	0.0	0.0	0.2
One cent/gal reduction in fuel tax for clean-burning fuels Legal reference: Art. TG Sec. 9-305	No reliable estimate			
Personal income tax subtraction for grants under the Solar Energy Grant Program Legal reference: Art. TG Sec. 10-207 Note: HB 590 (2007)	2.0	0.7	0.7	0.7
Personal income tax subtraction for cost of manure spreading equipment Legal reference: Art. TG Sec. 10-208	No reliable estimate			

7. Environment (Continued)

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Personal income tax subtraction for certain sewage disposal systems. Legal reference: Art. TG Sec. 10-208 Note: SB554 (2009). Fiscal effect starts in FY10.	N/A	0.1	0.2	0.3
Personal income tax credit for certified additional commercial fertilizer costs Legal reference: Art. TG Sec. 10-704.9 Note: No credits ever claimed. Program sunset 1/01/09	0.0	0.0	0.0	0.0
Personal income tax credit for employer-provided commuter benefits Legal reference: Art. TG Sec. 10-715	0.2	0.2	0.1	0.1
Personal income tax credit for "green buildings" construction & rehabilitation costs Legal reference: Art. TG Sec. 10-722	6.6	6.7	2.0	2.0
Individual costs of solar water heating or photovoltaic property placed in service Legal reference: Art. TG Sec. 10-719 Note: Converted to a budgeted grant program effective 1/1/05.	0.0	0.0	0.0	0.0
Corporate credit for electricity produced from certain qualified energy resources Legal reference: Art. TG Sec 10-720 Note: Reauthorized in 2006 to award a total of \$25 million until 12-31-2010.	0.1	0.1	0.1	0.1
Corporate Biotechnology Investment Tax Credit Legal reference: Art. TG Sec. 10-725 Note: Cost depends on appropriation. \$6.0 million for FY 09-10, \$8.0 million for FY 11-12.	0.5	0.5	0.7	0.7
Personal income tax credit for easements conveyed to the MD Environmental Trust or MD Agricultural Land Preservation Foundation. Legal reference: Art. TG Sec. 10-723	1.0	1.0	1.0	1.0

7. Environment (Continued)

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Individual Biotechnology Investment Tax Credit Legal reference: Art. TG Sec 10-725 Note: Cost depends on appropriation. \$6.0 million for FY 09-10, \$8.0 million for FY 11-12.	5.5	5.5	7.3	7.3
Individual income tax credits for electricity produced from qualified energy resources Legal reference: Art. TG Sec. 10-720 Note: credits now being claimed. Refundable beginning in 2010. Tax year figures converted to fiscal year estimates.	0.3	0.4	0.9	1.6
Insurance premiums tax credit for employer-provided commuter benefits Legal reference: Art. INS Sec. 6-120. Note: Average \$61,000 per year between FY 2003 and FY 2008.	Negligible			
Exemption from the sales tax of sales of certain energy-efficient appliances Legal reference: Art. TG Sec. 11-226	No reliable estimate			
Exemption from the sales tax of geothermal, wind or solar energy equipment Legal reference: Art. TG Sec. 11-230 Note: Effective July 1, 2008	0.2	0.2	0.2	0.3
Exemption from the property tax of residential Wind Energy Equipment and Solar Energy Property Legal reference: Art. TP Sec. 7-242 Note: Enacted by HB 1171 (2009) for wind, HB 377 (2008) for solar	0.0	0.0	0.0	0.0
Exemption from the motor vehicle titling tax for electric vehicles Legal reference: Art. TR Sec. 13-815 Note: Applies for qualified vehicles titled 10/1/2010 - 6/30/2013. HB 469 (2010).	N/A	N/A	0.3	1.6
	17.2	16.3	16.7	18.0

8. Families	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Exemption from the alcoholic beverage excise tax for family produced wine for personal use or Legal reference: Art. TG Sec. 5-104				
				No reliable estimate
Exemption from the inheritance tax for small estates. Legal reference: Art. TG Sec. 7-203				
				No reliable estimate
Exemption from the inheritance tax of death benefits payable to a trust Legal reference: Art. TG Sec. 7-203				
				No reliable estimate
Exemption from the inheritance tax of \$500 for grave maintenance Legal reference: Art. TG Sec. 7-203				
				No reliable estimate
Exemption from the inheritance tax of life insurance benefits Legal reference: Art. TG Sec. 7-203				
				No reliable estimate
Exemption from the inheritance tax of property passed to lineal beneficiaries or siblings Legal reference: Art. TG Sec. 7-203	42.8	43.2	43.7	44.1
Exemption from the inheritance tax of property passed to domestic partners Legal reference: Art. TG Sec. 7-203	N/A	1.0	1.0	1.0
Exemption from the inheritance tax for family farms qualifying as farmland Legal reference: Art. TG Sec. 7-211				
				No reliable estimate
Exemption from the property transfer tax for transfers made from estates with no consideration and to and from trusts Legal reference: Art. TP Sec 12-108 and 13-107				
				No reliable estimate

8. Families (Continued)

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Exemption from the property transfer tax for transfers between domestic partners, former domestic partners or relatives Legal reference: Art. TP Sec 13-207	No reliable estimate			
Personal income tax subtraction for two-income married couples Legal reference: Art. TG Sec. 10-207 Note: Local effect is \$25.8 million in FY12.	38.1	39.2	40.4	41.6
Personal income tax credit for child and dependent care expenses Legal reference: Art. TG Sec. 10-716	5.3	4.5	4.9	5.2
Certain gross income of child included in parents income Legal reference: Art. TG Sec. 10-208	No reliable estimate			
Homestead property tax credit for properties with assessment increases over 10% Legal reference: Art. TP Sec. 9-105 Note: Local governments forego about 16 times the State credits. See SB 520, HB 199 (2010)	86.8	78.9	36.1	8.4
Homeowners' property tax credit Legal reference: Art. TP Sec. 9-104; Art. TG Sec. TP Sec. 9-102	50.3	55.4	55.6	59.2
Renters property tax relief Legal reference: Art. TP Sec. 9-104; Art. TG Sec. TP Sec. 9-102	2.2	2.7	2.4	3.2

8. Families (Continued)

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Exemption from the sales tax for food consumed off premises Legal reference: Art. TG Sec. 11-206	530.1	522.8	543.0	559.7
Exemption from the sales tax of fuel rate adjustment charges on sales of electricity, etc. used in the common areas of residential condominiums Legal reference: Art. TG Sec. 11-207	0.6	0.6	0.6	0.7
Exemption from the sales tax of sales of fuel electricity, steam, natural or artificial gas, etc. for residential use Legal reference: Art. TG Sec. 11-207	263.1	266.2	269.4	272.7
Exemption from transfer tax for transfers between spouses, former spouses or relatives Legal reference: Art. TP Sec. 13-207	No reliable estimate			
	1,019.5	1,014.7	997.1	995.7

9. Fire and Rescue

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Refund of fuel tax for fuel used in fire and rescue vehicles Legal reference: Art. TG Sec. 13-901	0.1	0.1	0.1	0.1
Personal income tax subtraction for income from fire & ambulance length-of-service awards Legal reference: Art. TG Sec. 10-207	No reliable estimate			
Personal income tax subtraction for qualifying volunteer emergency service personnel Legal reference: Art. TG Sec. 10-208. Note: Local impact \$1.2m in FY12.	2.0	2.0	2.0	2.0
Exemption from the property tax of volunteer fire companies Legal reference: Art. TP Sec. 7-209	0.4	0.4	0.5	0.5
Exemption from the sales tax of sales to fire, rescue & ambulance companies Legal reference: Art. TG Sec. 11-204	1.5	1.5	1.6	1.6
Exemption from the sales tax of sales of food to support fire, rescue & ambulance companies Legal reference: Art. TG Sec. 11-206	0.1	0.1	0.1	0.1
Exemption of fire and rescue vehicles from vehicle registration fees Legal reference: Art. TR Sec. 13-903	0.3	0.3	0.3	0.3

9. Fire and Rescue (Continued)

Exemption of fire buff canteen wagons from vehicle registration fees
Legal reference: Art. TR Sec. 13-903

Exemption from the titling tax of fire engines & fire department apparatus
Legal reference: Art. TR Sec. 13-810

Millions of Dollars			
FY 09	FY 10	FY 11	FY 12
No reliable estimate			
No reliable estimate			
4.4	4.4	4.5	4.6

10. Handicapped and Disabled

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Personal income tax subtraction for disability payments to police & firefighters Legal reference: Art. TG Sec. 10-207	No reliable estimate			
Personal income tax subtraction for adoption expenses of special-needs children Legal reference: Art. TG Sec. 10-208	No reliable estimate			
Personal income tax subtraction for expenses of providing human or mechanical readers for blind individuals Legal reference: Art. TG Sec. 10-208	No reliable estimate			
Personal income tax credit for wages/child care/transportation for employees with disabilities Legal reference: Art. TG Sec. 10-704.7 Note: Sunsets June 30, 2012.	included entirely in corporate income tax section			
Insurance premiums tax credit for hiring disabled persons Legal reference: Art. INS Sec. 6-115 Note: Sunsets June 30, 2012.	No reliable estimate			
Exclusion of \$15,000 of assessed value for blind and surviving spouses Legal reference: Art. TP Sec. 7-207 Note: Revenue loss is less than \$40k annually.	0.1	0.1	0.1	0.1
Public service company franchise tax credit for telephone lifeline service Legal reference: Art. TG Sec. 8-407	0.3	0.3	0.3	0.3

10. Handicapped and Disabled (Continued)

Public service company franchise tax credit for hiring disabled persons
Legal reference: Art. TG Sec. 8-413
Note: Sunsets June 30, 2012.

Exemption from the titling tax of buses for transporting the handicapped
Legal reference: Art. TR Sec. 13-810

Millions of Dollars			
FY 09	FY 10	FY 11	FY 12
No reliable estimate			
No reliable estimate			
0.4	0.4	0.4	0.4

11. Housing	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Personal income tax deduction for home mortgage interest Legal reference: Art. TG Sec. 10-204 Note: Local effect is \$504.1 million in FY12.	617.1	674.5	738.3	813.0
Personal income tax deduction for real estate taxes Legal reference: Art. TG Sec. 10-204 Note: Local effect is \$127.2 million in FY12.	182.8	190.1	197.9	205.2
Personal income tax credit for property tax paid on owner-occupied residences in specified neighborhoods Legal reference: Art. TG Sec. 10-707	0.2	0.2	0.2	0.2
Exemption of Housing Authorities from the property tax Legal reference: Art. TP Sec. 7-215	1.8	2.0	2.1	2.0
Sales tax exclusion of 40% of the purchase price for retail sales of new mobile homes Legal reference: Art. TG Sec. 11-104	1.8	1.6	1.6	1.7
Exemption from the sales tax of sales of used mobile homes Legal reference: Art. TG Sec. 11-213	1.5	1.3	1.4	1.4
Property transfer tax rate halved for first time Maryland homebuyers Legal reference: Art. TP Sec. 13-203	13.2	10.1	9.1	8.2
Exemption from the transfer tax for cooperative housing corporations Legal reference: Art. TP Sec. 13-207	No reliable estimate			
	818.4	879.7	950.6	1031.7

12. Interstate Commerce

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Excise tax exemption for alcoholic beverages sold or delivered in the course of interstate commerce Legal reference: Art. TG Sec. 5-104	No reliable estimate			
Exemption from the sales tax of sales of food on vehicles engaged in interstate commerce Legal reference: Art. TG Sec. 11-206 Note: Comptroller believes that such sales would be exempt under the U.S. Constitution	No reliable estimate			
Exemption from the sales tax of sales of film or tape used in television broadcasting Legal reference: Art. TG Sec. 11-208 Note: One taxpayer involved.	0.5	0.5	0.5	0.5
Exemption from the sales tax of sales of marine equipment or machinery for ocean going vessels Legal reference: Art. TG Sec. 11-208	0.8	0.8	0.8	0.8
Exemption from the sales tax of sales of vehicles used in interstate commerce Legal reference: Art. TG Sec. 11-208	15.5	14.7	14.9	15.4
	<u>16.8</u>	<u>16.0</u>	<u>16.2</u>	<u>16.8</u>

13. Medical and Health

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Exemption from the excise tax for wine or spirits bought by a hospital for medicinal purposes	No reliable estimate			
Legal reference: Art. TG Sec. 5-104				
Note: Expenditures for alcohol purchased under non-beverage permit is \$0.1 million annually; the tax on this item is part of that total.				
Corporate income tax credit for employer-paid long-term care insurance premiums	Negligible			
Legal reference: Art. TG Sec. 10-710				
Note: Less than \$6,000 annually claimed to date.				
Personal income tax deduction for medical expenses	31.3	32.0	32.5	35.6
Legal reference: Art. TG Sec. 10-204				
Note: Local effect is \$22.1 million in FY12.				
Personal income tax credit for eligible long-term care premiums	2.8	2.4	2.6	2.8
Legal reference: Art. TG Sec. 10-718				
Exemption of nonprofit health service plans from the insurance premiums tax	27.3	27.0	27.8	28.7
Legal reference: Art. INS Sec. 6-101				
Exemption of premiums for non-profit health maintenance organizations from the insurance premiums tax	1.1	1.2	1.3	1.4
Legal reference: Art. INS Sec. 6-101				
Exemption of premiums for for-profit health maintenance organizations	69.1	70.9	72.0	73.0
Legal reference: Art. INS Sec. 6-101				
Note: For-profit HMOs are assessed a 2% premium tax which goes directly to the Rate Stabilization Fund. However, they do not provide any premium tax revenue to the general fund.				

13. Medical and Health (Continued)

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Insurance premiums tax credit for employer-paid long-term care insurance premiums Legal reference: Art. INS Sec. 6-117	No reliable estimate			
Income tax subtraction modification for the cost of installing handrails in certain medical facilities. Legal reference: Art. TG Sec. 10-208	No reliable estimate			
Exemption of nonprofit hospitals and health facilities from the property tax Legal reference: Art. TP Sec. 7-202	4.2	4.7	5.3	5.3
Public service company franchise tax credit for employer-paid long-term care insurance Legal reference: Art. TG Sec. 8-415	No reliable estimate			
Exemption from the sales tax of sales of medicine, medical supplies & health aids Legal reference: Art. TG Sec. 11-211	108.3	107.4	112.3	118.7
Exemption from the titling tax for hearing & vision screening vehicles Legal reference: Art. TR Sec. 13-810	No reliable estimate			
Corporate income tax subtraction for elevator handrails in health care facilities Legal reference: Art TG Sec. 10-308	No reliable estimate			
	244.0	245.6	253.7	265.5

14. Poverty

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Corporate income tax credit for wages/child care/transportation for employees with disabilities	0.1	0.1	0.1	0.1
Legal reference: Art. TG Sec. 10-704.7 Note: Sunsets June 30, 2012.				
Non-Refundable Earned Income Tax Credit	64.9	76.8	82.6	87.4
Refundable Earned Income Tax Credit	125.1	144.1	154.9	164.0
Legal reference: Art. TG Sec. 10-704 Note: State credit is refundable in certain cases				
Personal income tax credit for hiring qualified low income employees	0.2	0.2	0.1	0.1
Legal reference: Art. TG Sec. 10-704				
Personal income tax credit for persons with below poverty level incomes	3.1	3.9	4.2	4.4
Legal reference: Art. TG Sec. 10-709 Note: Local credit is worth \$2.8 million in FY12.				
Insurance premiums tax credit for hiring qualified low income employees	No reliable estimate			
Legal reference: Art. INS Sec. 6-105 Note: Effective for persons hired through 6/30/06				
Public service company franchise tax credit for hiring qualified low income employees	Repealed			
Legal reference: Art. TG Sec. 8-410 Note: Effective for persons hired through 7/1/06.				
	193.4	225.0	241.8	256.0

15. Religious

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Exemption from the excise tax for wine bought by a religious organization for sacramental purposes Legal reference: Art. TG Sec. 5-104	No reliable estimate			
Exemption of religious organizations from the property tax Legal reference: Art. TP Sec. 7-204	8.6	9.3	10.2	10.4
Exemption from the sales tax of sales by religious organizations Legal reference: Art. TG Sec. 11-204	4.5	4.5	4.7	4.9
Exemption from the sales tax of sales to religious organizations Legal reference: Art. TG Sec. 11-204	13.7	13.6	14.2	15.0
Exemption from the sales tax of sales of food by religious organizations Legal reference: Art. TG Sec. 11-206	6.8	6.7	6.9	7.1
Exemption from registration fees for school vehicles owned by religious organizations Legal reference: Art. TR Sec. 13-903 Note: Misc and other registration fee exemptions estimated at \$0.3m in FY12; this item represents part of that total.	No reliable estimate			
Exemption from the titling tax for school vehicles owned by religious organizations Legal reference: Art. TR Sec. 13-810	No reliable estimate			
	33.5	34.0	36.0	37.4

16. Veterans and Military

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Personal income tax subtraction for certain military retirement income Legal reference: Art. TG Sec. 10-207.	11.8	12.0	12.2	12.4
Personal income tax subtraction for overseas military pay Legal reference: Art. TG Sec. 10-207	No reliable estimate			
Abatement of income tax for US military & civilian employees killed as a result of combat or terrorism Legal reference: Art. TG Sec. 13-908 Note: Less than \$30,000 annually claimed to date.	Negligible			
Exemption of disabled veterans and surviving spouses from the property tax Legal reference: Art. TP Sec. 7-208.	1.4	1.6	1.6	1.5
Exemption from the sales tax of sales of food to support veterans' organizations Legal reference: Art. TG Sec. 11-206	1.6	1.6	1.7	1.8
Exemption from registration fees for Civil Air Patrol vehicles Legal reference: Art. TR Sec. 13-903	No reliable estimate			
Exemption from the sales tax for sales to veterans' organizations Legal reference: Art. TG Sec. 11-204 Note: Extended by SB 44 (2009) to June 30, 2012.	0.1	0.1	0.1	0.1

16. Veterans and Military (Continued)

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Exemption from registration fee for vehicles owned by veterans' organizations Legal reference: Art. TR Sec. 13-903 Note: Misc and other registration fee exemptions estimated at \$0.3m in FY12; this item represents part of that total.				No reliable estimate
Exemption from registration fees for vehicles owned by disabled veterans Legal reference: Art. TR Sec. 13-903				Negligible
Exemption from registration fees for the American Legion's "40-8 box car" Legal reference: Art. TR Sec. 13-903 Note: Misc and other registration fee exemptions estimated at \$0.3m in FY12; this item represents part of that total.				No reliable estimate
Exemption from the titling tax of Civil Air Patrol vehicles Legal reference: Art. TR Sec. 13-810 Note: Misc and other registration fee exemptions estimated at \$0.3m in FY12; this item				No reliable estimate
Exemption from the titling tax of vehicles owned by veterans' organizations Legal reference: Art. TR Sec. 13-810				No reliable estimate
Exemption from tobacco tax of cigarettes for sale at post exchanges & commissaries Legal reference: Art. TG Sec. 12-104				No reliable estimate
Exemption from tobacco tax of other tobacco products for sale at post exchanges & commissaries Legal reference: Art. TG Sec. 12-104				No reliable estimate
	14.9	15.3	15.6	15.8

17. Volunteer and Nonprofit	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Corporate income tax credit for neighborhood and community assistance contributions Legal reference: Art. TG Sec. 10-704.6	0.3	0.3	0.3	0.3
Refund of fuel tax to state-funded nonprofit transit systems Legal reference: Art. TG Sec. 13-901 Note: Of this total, 7.8% would be distributed to local governments in FY 2012.	0.6	0.6	0.6	0.6
Exemption from the inheritance tax for property that passes to qualified nonprofit organizations Legal reference: Art. TG Sec. 7-203	No reliable estimate			
Financial institution franchise tax credit for donations to nonprofit neighborhood revitalization projects Legal reference: Art. TG Sec. 8-214	No reliable estimate			
Exemption of fraternal beneficiary corporations from the insurance premiums tax Legal reference: Art. INS Sec. 6-101	1.5	1.6	1.7	1.8
Insurance premiums tax credit for donations to nonprofit neighborhood revitalization projects Legal reference: Art. INS Sec. 6-105	No reliable estimate			
Exemption of nonprofit cemetery & mausoleum property from the property tax Legal reference: Art. TP Sec. 7-201	0.2	0.2	0.2	0.2

17. Volunteer and Nonprofit (Continued)

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Exemption of lodges, trade & civic associations, clubs & other nonprofit organizations from the property tax Legal reference: Art. TP Sec. 7-202 Note: Includes charitable organizations, church societies & clubs.	1.8	2.0	2.2	2.2
Exemption of youth camps from the property tax Legal reference: Art. TP Sec. 7-202 Note: Additional legal references: TP 7-212, 233.	1.0	1.1	1.1	1.2
Exemption of the Chesapeake Bay Foundation from the property tax Legal reference: Art. TP Sec. 7-203 Note: Revenue loss is less than 30k annually.	Negligible			
Exemption of community water systems from the property tax Legal reference: Art. TP Sec. 7-205	No reliable estimate			
Exemption of historical societies and war memorials from the property tax	0.2	0.3	0.3	0.3
Exemption of veterans' organizations from the property tax	0.1	0.1	0.1	0.1
Public service company franchise tax credit for donations to nonprofit neighborhood revitalization Legal reference: Art. TG Sec. 8-412	No reliable estimate			

17. Volunteer and Nonprofit (Continued)

Individual income tax subtraction for unreimbursed mileage of certain volunteers

Legal reference: Art. TG Sec. 10-208

Exemption from the sales tax for food delivered for immediate consumption by a non-profit vendor

Legal reference: Art. TG Sec. 11-206

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
	No reliable estimate			
	0.3	0.3	0.3	0.3
	<u>6.0</u>	<u>6.5</u>	<u>6.7</u>	<u>6.9</u>

18. Miscellaneous

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Exemption from the excise tax of alcoholic beverages under a non-beverage permit Legal reference: Art. TG Sec. 5-104	0.1	0.1	0.1	0.1
Corporate income tax subtraction for profit on sale of MD state or local bonds Legal reference: Art. TG Sec. 10-307	No reliable estimate			
Corporate income tax subtraction for state tax-exempt interest from mutual funds Legal reference: Art. TG Sec. 10-307	No reliable estimate			
Corporate income tax subtraction for income from state relocation assistance Legal reference: Art. TG Sec. 10-307	No reliable estimate			
'Delaware Holding Company' (DHL) subtraction Legal reference: Art. TG Sec. 10-308.	21.5	14.1	16.2	14.8
Various corporate income tax subtractions, not separately estimated Legal reference: Art. TG Sec. 10-307,308.	112.1	100.4	115.7	106.1
Corporate income tax credit for rehabilitating historic/heritage structures Legal reference: Art. TG Sec. 10-704.5 Note: 2010 HB 475 extends and alters the credit. Sunsets 2015.	9.0	1.2	4.0	8.9
Exemption from the fuel tax for diesel fuel used in vessels Legal reference: Art. TG Sec. 9-303	0.1	0.1	0.1	0.1

18. Miscellaneous (Continued)

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Exemption from the inheritance tax of income accrued on probate assets Legal reference: Art. TG Sec. 7-203	No reliable estimate			
Exemption from the inheritance tax of recovered Holocaust assets Legal reference: Art. TG Sec. 7-203	No reliable estimate			
Various personal income tax deductions, not otherwise classified Legal reference: Art. TG Sec. 10-204 Note: Local effect is \$14.7 million in FY12.	19.0	20.5	22.0	23.7
Personal income tax subtraction for income from state relocation assistance Legal reference: Art. TG Sec. 10-207	No reliable estimate			
Personal income tax subtraction for income related to recovered Holocaust assets Legal reference: Art. TG Sec. 10-207	No reliable estimate			
Personal income tax subtraction for artwork donated by professional artists Legal reference: Art. TG Sec. 10-208	No reliable estimate			
Personal income tax credit for rehabilitating historic/heritage structures Legal reference: Art. TG Sec. 10-704.5 Note: 2010 HB 475 extends and alters the credit. Sunsets 2015.	11.1	10.2	9.4	8.7
Other miscellaneous personal income tax subtraction modifications Legal reference: Art. TG Sec. 10-207,208	No reliable estimate			
Exemption of annuities from the insurance premiums tax Legal reference: Art. INS Sec. 6-103	98.0	96.0	99.4	103.0

18. Miscellaneous (Continued)	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Insurance premiums tax credit for rehabilitating historic/heritage structures Legal reference: Art. INS Sec. 6-105	6.2	5.5	7.5	8.4
Personal income tax credit for contributions for neighborhood/community assistance Legal reference: Art. TG Sec. 10-704.6	0.5	0.5	0.5	0.5
Miscellaneous property tax exemptions. Legal reference: Art. TP Sec. 7-299 Note: Includes property of foreign governments, fairgrounds, solar energy devices, etc.	0.4	0.4	0.4	0.4
Public service company franchise tax credit for rehabilitating historic/heritage structures Legal reference: Art. TG Sec. 8-406	No reliable estimate			
Exemption from the sales tax of sales by State mental hospital gift shops Legal reference: Art. TG Sec. 11-204 Note: There are no gift shops in these institutions.	0.0	0.0	0.0	0.0
Exemption from the sales tax of sales by hospital thrift shops Legal reference: Art. TG Sec. 11-204	0.1	0.1	0.1	0.1
Exemption from the sales tax of sales from facilities operated under MD Vending Program for the Blind on military bases Legal reference: Art. TG Sec. 11-204 Note: Expected revenue cost is under \$15,000 annually.	Negligible			
Exemption from the sales tax of sales of US, Maryland & POW/MIA flags Legal reference: Art. TG Sec. 11-205	No reliable estimate			

18. Miscellaneous (Continued)	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Misc. exemptions from motor vehicle registration fees Legal reference: Art. TG Sec. 13-903	0.3	0.3	0.3	0.3
Exemption from the sales tax of sales of certain "healthy" foods sold through vending machines Legal reference: Art. TG Sec. 11-206	0.5	0.5	0.5	0.5
Exemption from the sales tax of sales of water through pipes Legal reference: Art. TG Sec. 11-224	34.0	34.3	34.7	35.0
Credit of vehicle titling tax for out-of-state sales or excise tax paid by persons moving to Maryland Legal reference: Art. TR Sec. 13-809	4.4	4.4	4.4	4.4
Excluding the value of trade-ins Legal reference: Art. TR Sec. 13-810	56.5	59.7	62.6	68.3
Exemption from the transfer tax for judgments, orders of satisfaction or participation agreements Legal reference: Art. TP Sec. 13-207	No reliable estimate			
Exemption from transfer tax for land installment contracts, options to purchase real property, or short term leases Legal reference: Art. TP Sec. 13-207	No reliable estimate			
Estate tax exclusion - conservation easements Legal reference: Art. TG Sec. 7-203	No reliable estimate			
	373.7	348.3	378.0	383.5

III. Incidental Tax Expenditures

1. Administrative Exemptions

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Corporate income tax subtraction for state or local income tax refunds Legal reference: Art TG Sec. 10-307	No reliable estimate			
Personal income tax subtraction for taxable refunds Legal reference: Art TG Sec. 10-207	52.5	54.1	55.7	57.4
Exemption from the alcoholic beverages excise tax for small quantities brought into the state for personal use Legal reference: Art. TG Sec. 5-104	No reliable estimate			
Exemption from the inheritance tax for bequests under \$1,000 Legal reference: Art. TG Sec. 7-203	No reliable estimate			
Exemption from the sales tax for sales through bulk vending machines. Legal reference: Art. TG Sec. 11-201	1.0	1.0	1.0	1.1
Exemption from the sales tax of casual and isolated sales Legal reference: Art. TG Sec. 11-209	No reliable estimate			
Exemption from the tobacco tax for cigarettes brought into the state in small quantities Legal reference: Art. TG Sec. 12-104	No reliable estimate			
Exemption from the tobacco tax for other tobacco products brought into the state in small Legal reference: Art. TG Sec. 12-104	No reliable estimate			
	53.5	55.1	56.7	58.5

2. Double Taxation

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Corporate income tax subtraction for gross receipts subject to the public service company franchise tax Legal reference: Art. TG Sec. 10-307	No reliable estimate			
Personal income tax subtraction for Keogh Plan withdrawals taxed at time of deposit Legal reference: Art. TG Sec. 10-207	No reliable estimate			
Personal income tax subtraction for distributions of income when tax was paid by a fiduciary Legal reference: Art. TG Sec. 10-207	No reliable estimate			
Personal income tax credit for tax paid to another state Legal reference: Art. TG Sec. 10-703	204.3	189.0	203.2	215.1
Exemption from the sales tax of separately-stated sales subject to the admissions & amusement tax Legal reference: Art. TG Sec.11-101	0.2	0.2	0.2	0.2
Exemption from the sales tax for expense reimbursement while providing taxable detective services Legal reference: Art. TG Sec. 11-101	0.2	0.2	0.2	0.2
Exemption from the sales tax of admissions subject to the admissions & amusement tax Legal reference: Art. TG Sec. 11-221	65.5	66.2	66.8	67.5
Exemption from the sales tax of certain communications services subject to the federal excise tax Legal reference: Art. TG Sec. 11-221	79.1	75.2	75.9	78.7

2. Double Taxation (Continued)

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Exemption from the sales tax of motor fuels subject to the motor fuel or motor carrier tax	435.3	431.6	451.2	477.1
Legal reference: Art. TG Sec. 11-221				
Exemption from the sales tax of motor vehicles, except house or office trailers, subject to the motor vehicle excise tax	570.7	603.1	657.6	725.3
Legal reference: Art. TG Sec. 11-221				
Exemption from the sales tax of long-term motor vehicle leases	20.1	19.9	20.8	22.0
Legal reference: Art. TG Sec. 11-221				
Exemption from the sales tax of the rental of motion pictures subject to the admissions & amusement tax	No reliable estimate			
Legal reference: Art. TG Sec. 11-221				
Exemption from the sales tax of sales of vessels subject to the boat excise tax	22.7	14.3	11.5	7.0
Legal reference: Art. TG Sec. 11-221				
Exemption from the sales tax of sales of materials taxed under other laws	No reliable estimate			
Legal reference: Art. TG Sec. 11-221				
Exemption from the titling tax of mobile homes over 35 ft.	No reliable estimate			
Legal reference: Art. TR Sec. 13-810				
Note: Mobile homes over 35 ft., when installed on sites, are taxed as real property.				
Exemption from the titling tax of vehicles purchased for short-term rental purposes	47.8	49.7	54.1	55.4
Legal reference: Art. TR Sec. 13-810				

2. Double Taxation (Continued)

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Exemption from the titling tax for leased vehicles purchased by the lessee Legal reference: Art. TR Sec. 13-810	No reliable estimate			
Exemption from the titling tax for vehicles transferred into an inter vivos trust if transferor is the beneficiary Legal reference: Art. TR Sec. 13-810	No reliable estimate			
Exemption from the transfer tax for transfers of supplemental, previously recorded instruments or deeds for prior contract of sale Legal reference: Art. TP Sec. 13-207	No reliable estimate			
	1,445.8	1,449.4	1,541.6	1,648.7

3. Reciprocal Exemptions

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Credit against the boat tax for excise tax paid in another state by commercial fishers Legal reference: Art. NR Sec. 8-716	0.2	0.2	0.1	0.2
Exemption from inheritance tax for personal property of nonresident decedents Legal reference: Art. TG Sec. 7-203	No reliable estimate			
Refund of fuel tax for fuel taxed in another state Legal reference: Art. TG Sec. 13-901 Note: Of this total, 7.8% would be distributed to local governments in FY 2012.	6.5	5.3	5.4	5.4
Exemption from the fuel tax for fuel sold for export from the state Legal reference: Art. TG Sec. 9-303 Note: Of this total, 7.8% would be distributed to local governments in FY 2012.	38.8	38.3	38.7	39.1
Exemption from the sales tax of sales to certain out-of-state non-profit organizations Legal reference: Art. TG Sec. 11-204	No reliable estimate			
Sales tax exemption for sales of tangible personal property to nonprofit organizations for use in another state Legal reference: Art. TG Sec. 11-216 Note: Revenue loss is included in exemptions under TG Sec. 11-204.	No reliable estimate			
Exemption from the sales tax of sales of items taxed in another state Legal reference: Art. TG Sec. 11-221 Note: Exemption may be constitutionally required. Note: Misc and other registration fee exemptions estimated at \$0.3m in FY12; this item represents part of that total.	No reliable estimate			

3. Reciprocal Exemptions (Continued)

Reciprocal exemption from the titling tax for out-of-state law enforcement vehicles
Legal reference: Art. TR Sec. 13-810

Reciprocal exemption from registration fees for out-of-state law enforcement vehicles
Legal reference: Art. TR Sec. 13-903

Millions of Dollars			
FY 09	FY 10	FY 11	FY 12
No reliable estimate			
No reliable estimate			
45.5	43.8	44.2	44.7

4. Fuel Used for Non-transportation Purposes

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Partial refund of fuel tax for fuel delivery vehicles Legal reference: Art. TG Sec. 13-901	No reliable estimate			
Partial refund of fuel tax on concrete mixers. Legal reference: Art. TG Sec. 13-901 Note: Of this total, 7.8% would be distributed to local governments in FY 2012.	0.4	0.4	0.4	0.4
Partial refund of fuel tax on fuel used by solid waste compactors Legal reference: Art. TG Sec. 13-901 Note: Of this total, 7.8% would be distributed to local governments in FY 2012.	0.2	0.2	0.2	0.2
Partial refund of fuel tax used by well drillers. Legal reference: Art. TG Sec. 13-901	No reliable estimate			
Partial refund of fuel used by agricultural spreaders Legal reference: Art. TG Sec. 13-901	No reliable estimate			
Refund of fuel tax for fuel used in engines installed permanently at fixed locations Legal reference: Art. TG Sec. 13-901 Note: Of this total, 7.8% would be distributed to local governments in FY 2012.	1.5	1.5	1.5	1.5
Refund of fuel tax on fuel lost in fire or collision. Legal reference: Art. TG Sec. 13-901	No reliable estimate			
Refund of fuel tax paid for fuel used for commercial purposes other than operation of motor vehicles on public highways Legal reference: Art. TG Sec. 13-901 Note: Principally for marine uses; of this total, 7.8% would be distributed to local governments in FY 2012.	0.1	0.1	0.1	0.1
	<u>2.2</u>	<u>2.2</u>	<u>2.2</u>	<u>2.2</u>

5. Governments

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Excise tax exemption for alcoholic beverage sales on federal reservations Legal reference: Art. TG Sec. 5-104	0.1	0.1	0.1	0.1
Corporate income tax subtraction for interest on US government obligations Legal reference: Art. TG Sec. 10-307	6.0	8.5	9.8	9.0
Exemption from the inheritance tax for property passing to the State or its subdivisions Legal reference: Art. TG Sec. 7-203	No reliable estimate			
Refund of fuel tax for fuel used by the federal government Legal reference: Art. TG Sec. 13-901 Note: Of this total, 7.8% would be distributed to local governments in FY 2012.	0.6	0.6	0.6	0.6
Refund of fuel tax for fuel used to operate local government bus systems Legal reference: Art. TG Sec. 13-901 Note: Of this total, 7.8% would be distributed to local governments in FY 2012.	1.0	1.0	1.0	1.0
Exemption from the fuel tax for fuel purchased by the State or its subdivisions Legal reference: Art. TG Sec. 9-303 Note: Of this total, 7.8% would be distributed to local governments in FY 2012.	6.6	6.5	6.5	6.6
Dividends and interest from U.S. obligations Legal reference: Art. TG Sec. 10-207 Note: Local effect is \$26.1 million in FY12.	34.8	35.3	36.2	36.3

5. Governments (Continued)

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Personal income tax subtraction for employer provided official police/fire vehicles Legal reference: Art. TG Sec. 10-207	No reliable estimate			
Personal income tax subtraction for profits on sale of Maryland state or local bonds Legal reference: Art. TG Sec. 10-207	No reliable estimate			
Personal income tax subtraction for distributions & dividends from mutual funds attributable to US obligations Legal reference: Art. TG Sec. 10-207	No reliable estimate			
Exemption of federal government property from the property tax Legal reference: Art. TP Sec. 7-210,11	13.0	12.9	13.3	13.3
Exemption of local government property from the property tax Legal reference: Art. TP Sec. 7-210,11	31.7	34.4	35.2	36.1
Exemption of state government property from the property tax Legal reference: Art. TP Sec. 7-210,11	12.7	14.8	15.4	15.5
Exemption from the sales tax of sales of government documents, publications, etc. Legal reference: Art. TG Sec. 11-215	3.7	3.7	3.8	4.1
Exemption from the sales tax of sales to the State and its subdivisions Legal reference: Art. TG Sec. 11-220	348.7	345.7	361.4	382.2
Exemption from the sales tax of sales of testing equipment to be transferred to the federal government Legal reference: Art. TG Sec. 11-222	No reliable estimate			

5. Governments (Continued)

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Exemption from the sales tax of sales of buses for use in public transportation systems Legal reference: Art. TG Sec. 11-223	1.3	1.2	1.2	1.3
Exemption from registration fees of vehicles owned by the federal, State or local governments Legal reference: Art. TR Sec. 13-903	4.1	3.9	3.9	4.0
Exemption from the titling tax of vehicles owned by the federal government Legal reference: Art. TR Sec. 13-102	No reliable estimate			
Exemption from the titling tax of vehicles owned by the State & its subdivisions Legal reference: Art. TR Sec. 13-810	No reliable estimate			
Exemption from the titling tax of vehicles owned by the US and used in an investigation Legal reference: Art. TR Sec. 13-810	No reliable estimate			
Exemption from the transfer tax of transfers to governments or public agencies Legal reference: Art. TP Sec. 13-207	No reliable estimate			
	464.1	468.6	488.6	510.0

Detail of Tax Expenditures

By Tax

Fiscal Years 2009 – 2012

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ALCOHOLIC BEVERAGE TAX

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
		No reliable estimate		
		No reliable estimate		
	0.1	0.1	0.1	0.1
		No reliable estimate		
		No reliable estimate		
	0.1	0.1	0.1	0.1
		No reliable estimate		
Total: State General Funds	0.2	0.2	0.2	0.2

EXCISE TAX ON VESSELS

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Legal reference: Art. NR Sec. 8-716				
Exemption from the boat tax for:				
Excludes the value of trade-ins	1.8	0.8	0.5	0.4
Vessels purchased by charitable organizations	Negligible			
Note: Estimated at less than \$30,000 annually.				
Vessels purchased by State or its subdivisions	Negligible			
Credit against the boat tax for:				
Excise tax paid in another state by commercial fishers	0.2	0.2	0.1	0.2
Total: State Special Funds	2.0	1.0	0.7	0.5
<i>Total on page iv, Statistical Summary of Tax Expenditures by Tax, excludes following which is included in above total.</i>				
Excise tax paid in another state	-0.2	-0.2	-0.1	-0.2

CORPORATION INCOME TAX

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Legal reference: Art TG Sec. 10-307				
Corporate income tax subtractions for:				
Dividends for domestic corporations claiming foreign tax credits	5.6	6.1	7.0	6.5
Dividends from affiliated domestic international sales corporations		No reliable estimate		
Dividends of related foreign corporations	13.9	10.9	12.5	11.5
Gross receipts subject to the public service company franchise tax		No reliable estimate		
Interest on U.S. obligations	6.0	8.5	9.8	9.0
Profit on sale or exchange of Maryland state or local bonds		No reliable estimate		
Income from State relocation and assistance payments		No reliable estimate		
State or local income tax refunds		No reliable estimate		
State tax-exempt interest from mutual funds		No reliable estimate		
Legal reference: Art. TG Sec. 10-308				
Corporate income tax subtractions for:				
Conservation tillage equipment		No reliable estimate		
Reforestation or timber stand improvement expenses		No reliable estimate		
Wage expenses disallowed under federal targeted jobs credit		No reliable estimate		
Cost of manure spreading equipment		No reliable estimate		
Elevator handrails in health care facilities		No reliable estimate		
Exempt-interest dividends paid by regulated investment companies		No reliable estimate		
Delaware Holding Company' (DHL) subtraction	21.5	14.1	16.2	14.8
Various subtraction modifications not separately estimated	112.1	100.4	115.7	106.1

CORPORATION INCOME TAX (Continued)

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Legal reference: Art TG Sec. 10-309				
Gain/loss adjustment on utility company stranded costs	0.0	0.0	0.0	0.0
Note: Subtraction last claimed in TY03 at \$8.6 million.				
Legal reference: Art TG Sec. 10-702				
Corporate income tax credits for:				
Enterprise zone - credit for wages paid	0.9	1.0	1.0	1.0
Legal reference: Art. TG Sec. 10-704				
Credit for purchase of Maryland-mined coal	0.0	0.0	0.0	0.0
Credit for wages paid to qualified employees (Job Creation Tax Credit)	0.9	1.3	1.3	1.5
Note: Sunsets January 1, 2014				
Credit for rehabilitating historic/heritage structures	9.0	1.2	4.0	8.9
Note: 2010 HB 475 extends and alters the credit. Sunsets 2015.				
Credit for neighborhood and community assistance contributions	0.3	0.3	0.3	0.3
Credit for wages/child care/transportation for employees with disabilities	0.1	0.1	0.1	0.1
Note: Sunsets June 30, 2012.				
Credit for businesses that create new jobs	1.5	1.5	1.5	1.5
Credit for commercial fertilizer costs	0.0	0.0	0.0	0.0
Note: No credits ever claimed. Program sunset 1/01/09				
Credit for employing qualified ex-felons				
Note: Sunsets December 31,2011. Less than \$10,000 claimed in any fiscal year				
		Negligible		
Legal reference: Art. TG Sec. 10-708				
Credit for 60% of certain property taxes paid by a telecommunications company	8.5	8.5	10.5	10.5

CORPORATION INCOME TAX (Continued)

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Legal reference: Art. TG Sec 10-710 Credit for employer-paid long-term care insurance premiums Note: Less than \$6,000 annually claimed to date.				
		Negligible		
Legal reference: Art. TG Sec. 10-711 Corporate income tax credit for student work-based learning programs Note: Sunsets June 30, 2013	0.0	0.1	0.1	0.1
Legal reference: Art. TG Sec 10-712 Credit for 60% of certain property taxes paid by an electric utility				
		Repealed 6/01/2006		
Legal reference: Art. TG Sec 10-713 Credit for 25% of wages paid to employees of multijurisdictional electric companies				
		Repealed 1/01/2006		
Legal reference: Art. TG Sec 10-714 Credit for One Maryland project/start-up costs. Note: only "project" credit; "start-up" portion included under individual income tax	4.2	4.3	7.7	9.2
Legal reference: Art. TG Sec 10-715 Credit for employer-provided commuter benefits	0.7	0.7	1.0	1.0
Legal reference: Art. TG Sec 10-719 Credit for costs of solar water heating or photovoltaic property placed in service Note: Converted to a budgeted grant program 1/1/05; No claims in FY06 and only one in FY07.	0.1	0.1	0.0	0.0

CORPORATION INCOME TAX (Continued)

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Legal reference: Art. TG Sec 10-720 Credit for electricity produced from certain qualified energy resources Note: Reauthorized in 2006 to award a total of \$25 million until 12-31-10.	0.1	0.1	0.1	0.1
Legal reference: Art. TG Sec 10-721 Credit for qualified Research & Development expenses Note: Sunsets 6-30-21. Maximum authorized annual credit - \$6 million.	6.0	6.0	6.0	6.0
Legal reference: Art. TG Sec 10-722 Credit for "green buildings" construction & rehabilitation costs	0.0	0.0	2.5	2.5
Legal reference: Art. TG Sec. 10-725 Corporate Biotechnology Investment Tax Credit Note: Cost depends on appropriation. \$6.0 million for FY 09-10, \$8.0 million for FY 11-12.	0.5	0.5	0.7	0.7
Legal reference: Art. TG Sec. 10-726 Credit for Cellulosic Ethanol Technology R&D Note: Tax credits could be claimed beginning in tax year 2008. HB 140 (2008).	0.2	0.2	0.2	0.2
Legal reference: Art. TG Sec 10-727 Credit for Bio-heating oil for use in space or water heating Note: Sunsets June 30, 2013.	0.1	0.3	0.3	0.3

CORPORATION INCOME TAX (Continued)

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Legal reference: Art. TG Sec 10-728				
Job Creation and Recovery Tax Credit	0.0	0.0	2.5	0.0
Legal reference: Art. TG Sec. 10-729				
Tax Credit for Electric Vehicle Recharging Equipment	0.0	0.0	0.0	0.2
Legal reference: Art. TG Sec. 10-730				
Tax Credit for Qualified Film Production Entities	1.3	0.3	0.5	4.8
Note: Used to be a rebate until HB 672 (2011)				
Total:	193.5	166.4	201.5	196.7
Distribution:				
Higher Education Investment Fund (6% of gross revenue)	11.6	10.0	12.1	11.8
Additional General Fund portion due to HEIF law (9.15% of gross revenue)	17.7	15.2	18.4	18.0
Sub Total:	29.3	25.2	30.5	29.8
Special Fund - Transportation Trust Fund (24% of net after above distribution)	39.4	33.9	41.0	40.1
General Fund (76% of net after above distribution)	124.8	107.3	130.0	126.9
Total on page iv, Statistical Summary of Tax Expenditures by Tax, excludes following which is included in above total.				
Interest on U.S. Obligations	-6.0	-8.5	-9.8	-9.0
Total:	187.5	157.9	191.7	187.7
Local government - highway user fund revenues	11.8	3.6	3.5	3.6

INHERITANCE TAXES

Legal reference: Art. TG Sec. 7-203

Exemption from the inheritance tax for:

Property passed to lineal beneficiaries and siblings

Bequests under \$1000

Small estates

Death benefits payable to a trust

\$500 for grave maintenance

Life insurance benefits

Property passing to the State or its subdivisions

Reciprocal exemption for personal property of nonresident decedents

Property that passes to qualified nonprofit organizations

Income accrued on probate assets

Estate tax exclusion - Conservation Easements

Property passed to domestic partners

Note: SB785 (2009). Effective FY2010,

Recovered Holocaust assets

Legal reference: Art. TG Sec. 7-211

Family farms qualifying as farmland

Legal reference: Art. TG Sec. 7-307

Payment deferral for qualified agricultural property

Total: State General Funds:

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
				51.90
		3680.8	1319.2	26.38%
Property passed to lineal beneficiaries and siblings	42.8	43.2	43.7	44.1
Bequests under \$1000		No reliable estimate		
Small estates		No reliable estimate		
Death benefits payable to a trust		No reliable estimate		
\$500 for grave maintenance		No reliable estimate		
Life insurance benefits		No reliable estimate		
Property passing to the State or its subdivisions		No reliable estimate		
Reciprocal exemption for personal property of nonresident decedents		No reliable estimate		
Property that passes to qualified nonprofit organizations		No reliable estimate		
Income accrued on probate assets		No reliable estimate		
Estate tax exclusion - Conservation Easements		No reliable estimate		
Property passed to domestic partners	N/A	1.0	1.0	1.0
Recovered Holocaust assets		No reliable estimate		
Family farms qualifying as farmland		No reliable estimate		
Payment deferral for qualified agricultural property		No reliable estimate		
Total: State General Funds:	42.8	44.2	44.6	45.1

MOTOR VEHICLE FUEL TAX

Millions of Dollars
FY 09 FY 10 FY 11 FY 12

Legal reference: Art. TG Sec. 13-901

Fuel tax refunds for:

Aviation fuel used for agricultural purposes		No reliable estimate		
Fuel used for agricultural purposes	0.1	0.1	0.1	0.1
Aviation fuel dispensed to aircraft by aircraft manufacturing companies located in the State	0.1	0.1	0.1	0.1
Fuel used by Red Cross		No reliable estimate		
Fuel used in fire and rescue vehicles	0.1	0.1	0.1	0.1
Fuel used by U.S. Government	0.6	0.6	0.6	0.6
Fuel used to operate bus systems of local governments	1.0	1.0	1.0	1.0
Partial refund for fuel used by fuel delivery vehicles		No reliable estimate		
Partial refund for fuel used by concrete mixers	0.4	0.4	0.4	0.4
Note: Effective 7/1/04, includes concrete pump trucks.				
Partial refund for fuel used by solid waste compactors	0.2	0.2	0.2	0.2
Partial refund for fuel used by well drillers		No reliable estimate		
Partial refund for fuel used by agricultural spreaders		No reliable estimate		
Fuel used in engines installed permanently at fixed locations	1.5	1.5	1.5	1.5
Fuel lost in fire or collision		No reliable estimate		

<u>MOTOR VEHICLE FUEL TAX (Continued)</u>	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Fuel used for commercial purposes other than operation of motor vehicles on public highways	0.1	0.1	0.1	0.1
Fuel taxed in another state	6.5	5.3	5.4	5.4
Fuel used by state-funded nonprofit transit systems for the elderly, disabled or poor	0.6	0.6	0.6	0.6
Exemption from the fuel tax for:				
Legal reference: Art. TG Sec. 9-303				
Fuel bought by State government or local sub-divisions	6.6	6.5	6.5	6.6
Diesel fuel used in vessels	0.1	0.1	0.1	0.1
Fuel sold for export from the state	38.8	38.3	38.7	39.1
Legal reference: Art. TG Sec. 9-305				
One cent/gallon tax reduction for clean-burning fuels	No reliable estimate			
Total:	56.6	54.8	55.4	56.0
<i>Total on page iv, Statistical Summary of Tax Expenditures by Tax, includes only State General Funds.</i>				
Distribution:				
State General Funds	0.0	0.0	0.0	0.0
Net State Special Funds	56.1	43.9	42.2	49.2
Chesapeake 2010 Fund:	0.5	10.9	13.2	6.9
TOTALS:	56.6	54.8	55.4	56.0
Local Governments (included in special funds above)	16.8	4.6	3.6	4.4

INDIVIDUAL INCOME TAX

Local loss is roughly 62% of the State loss

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Charitable contributions	191.6	204.2	217.3	230.0
Mortgage interest	617.1	674.5	738.3	813.0
Real estate taxes	182.8	190.1	197.9	205.2
Medical expenses	31.3	32.0	32.5	35.6
Job expenses	80.7	87.6	94.6	106.7
Other itemized deductions	19.0	20.5	22.0	23.7

Legal reference: Art. TG Sec. 10-204

Itemized deductions for:

Taxable Refunds	52.5	54.1	55.7	57.4
Dividends and interest from U.S. obligations	34.8	35.3	36.2	36.3
Individual federally taxed social security/railroad retirement benefits	135.7	137.1	138.4	139.8
Two-income married couples	38.1	39.2	40.4	41.6
Grants under the Solar and Geothermal Tax Incentive Grant Program	2.0	0.7	0.7	0.7

Note: HB 590 (2007)

INDIVIDUAL INCOME TAX (Continued)

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Miscellaneous subtraction modifications for:				
Distribution to a beneficiary of accumulated income on which fiduciary has paid tax		No reliable estimate		
Distributions & dividends from mutual funds attributed to US obligations		No reliable estimate		
Employer provided official police/fire vehicles		No reliable estimate		
Disability payments to police and firefighters		No reliable estimate		
Keogh Plan withdrawals taxed at time of deposit		No reliable estimate		
Income from emergency services length of service awards		No reliable estimate		
Profits on sale of Maryland state or local bonds		No reliable estimate		
Relocation & assistance payments		No reliable estimate		
Pickup contributions for pension & retirement systems		No reliable estimate		
Overseas military pay		No reliable estimate		
Military retirement income	11.8	12.0	12.2	12.4
Amounts contributed to prepaid tuition plans		No reliable estimate		
Income related to recovered Holocaust assets		No reliable estimate		
Other miscellaneous subtractions		No reliable estimate		

Legal reference: Art TG Sec. 10-208

Subtraction modifications for:

Employment-related household & dependent care expenses	17.8	18.0	18.2	18.4
Note: Local effect is \$11.4 million in FY12.				
Adoption expenses for special-needs children		No reliable estimate		
Expenses of providing human or mechanical readers for blind persons		No reliable estimate		

INDIVIDUAL INCOME TAX (Continued)

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Miscellaneous subtraction modifications for:				
Cost of installing handrails in certain medical facilities		No reliable estimate		
Conservation tillage equipment expenses		No reliable estimate		
Artwork donated by professional artists		No reliable estimate		
Donated farm products		No reliable estimate		
Reforestation or timber stand expenses		No reliable estimate		
\$3,500 in income of qualifying volunteer emergency service personnel	2.0	2.0	2.0	2.0
Note: Local impact \$1.2m in FY12.				
Certain gross income of child included in parents income		No reliable estimate		
Unreimbursed mileage of certain volunteers		No reliable estimate		
Salary or wage expenses for targeted jobs		No reliable estimate		
Expense to buy poultry/livestock manure spreader equipment		No reliable estimate		
Contributions to investment accounts	0.2	1.4	2.6	3.8
Note: Maryland College Inv. Plan and the Maryland Broker-Dealer College Investment Plan. Limited at				
Personal income tax subtraction for certain sewage disposal systems.	N/A	0.1	0.2	0.3
Note: SB554 (2009). Fiscal effect starts in FY10.				
Legal reference: Art. TG Sec. 10-209				
Subtraction modifications for:				
Pension income	94.6	97.4	100.4	103.4

INDIVIDUAL INCOME TAX (Continued)

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Legal reference: Art. TG Sec. 10-211				
Personal Exemptions:				
Additional exemptions for the blind and elderly	16.8	17.0	17.1	17.3
Personal Exemptions:	593.6	599.5	605.5	611.6
Legal reference: Art. TG Sec. 10-217.				
Standard Deduction:				
Standard Deduction:	126.5	127.8	129.0	130.3
Tax Credits:				
Legal reference: Art. TG Sec. 10-702				
Wages paid in enterprise zone	0.3	0.3	0.2	0.2
Legal reference: Art. TG Sec. 10-703				
Taxes paid by resident to another state	204.3	189.0	203.2	215.1

INDIVIDUAL INCOME TAX (Continued)

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Legal reference: Art. TG Sec. 10-704				
Non-Refundable Earned Income Tax Credit	64.9	76.8	82.6	87.4
Refundable Earned Income Tax Credit	125.1	144.1	154.9	164.0
Note: State credit is refundable in certain cases				
Credit for purchase of Maryland-mined coal	0.0	0.0	0.0	0.0
Note: All credits taken are by corporations.				
Credit for expenses of hiring qualified low income employees	0.2	0.2	0.1	0.1
Credit for wages paid to qualified employees (Job Creation Tax Credit)	0.2	0.1	0.1	0.1
Note: Sunsets January 1, 2014				
Credit for rehabilitating historic/heritage structures	11.1	10.2	9.4	8.7
Note: 2010 HB 475 extends and alters the credit. Sunsets 2015.				
Credit for neighborhood and community assistance contributions	0.5	0.5	0.5	0.5
Credit for wages/child care/transportation for employees with disabilities				included entirely in corporate income tax section
Note: Sunsets June 30, 2012.				
Credit for businesses that create new jobs				included entirely in corporate income tax section
Credit for commercial fertilizer costs	0.0	0.0	0.0	0.0
Note: No credits ever claimed. Program sunset 1/01/09				
Credit for employing qualified ex-felons	0.3	0.3	0.1	0.0
Note: Sunsets December 31,2011. Less than \$10,000 claimed in any fiscal year				
Legal reference: Art. TG Sec. 10-707				
Property tax paid on owner-occupied residences in specified neighborhoods	0.2	0.2	0.2	0.2

INDIVIDUAL INCOME TAX (Continued)

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Legal reference: Art. TG Sec. 10-708 Certain property taxes paid by a telecommunications business Note: Credit is not claimed by individual income taxpayers.	0.0	0.0	0.0	0.0
Legal reference: Art. TG Sec. 10-709 Earnings of certain low income taxpayers Note: Local credit is \$2.8 million in FY12.	3.1	3.9	4.2	4.4
Legal reference: Art. TG Sec. 10-711 Personal income tax credit for student work-based learning programs. Note: Less than \$25,000 claimed annually. Sunsets in 2013.	Negligible			
Legal reference: Art. TG Sec. 10-714 Costs associated with One Maryland economic development projects. Note: Only "start-up" credit; "project" credit included in Corporate Tax	0.5	0.5	0.5	0.5
Legal reference: Art. TG Sec. 10-715 Cost of providing employee commuter benefits	0.2	0.2	0.1	0.1
Legal reference: Art. TG Sec. 10-716 Child and dependent care expenses	5.3	4.5	4.9	5.2
Legal reference: Art. TG Sec. 10-717 Expenses for classroom teacher advanced education	6.6	6.5	7.0	7.4
Legal reference: Art. TG Sec. 10-718 Eligible long-term care premiums	2.8	2.4	2.6	2.8

INDIVIDUAL INCOME TAX (Continued)

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Legal reference: Art. TG Sec. 10-719 Costs of solar water heating or photovoltaic property placed in service Note: Converted to a budgeted grant program effective 1/1/05.	0.0	0.0	0.0	0.0
Legal reference: Art. TG Sec. 10-720 Individual tax credits for electricity produced from qualified energy resources Note: credits now being claimed. Refundable beginning in 2010. Tax year figures converted to fiscal	0.3	0.4	0.9	1.6
Legal reference: Art. TG Sec. 10-721 Qualified R&D expenses Note: Sunsets 7/01/12	Negligible			
Legal reference: Art. TG Sec. 10-722 "Green buildings" construction & rehabilitation costs	6.6	6.7	2.0	2.0
Legal Reference: Art. TG Sec. 10-723 Easements conveyed to the MD Environmental Trust or MD Ag Land Preservation Foundation	1.0	1.0	1.0	1.0
Legal reference: Art. TG Sec. 10-724 Up to \$500 for the purchase of aquaculture oyster floats	0.2	0.2	0.2	0.2
Legal reference: Art. TG Sec. 10-725 Individual Biotechnology Investment Tax Credit Note: Cost depends on appropriation. \$6.0 million for FY 09-10, \$8.0 million for FY 11-12.	5.5	5.5	7.3	7.3
Legal reference: Art. TG Sec. 10-726 Personal Income tax credit for Cellulosic Ethanol Technology R&D Note: Tax credits could be claimed beginning in tax year 2008	0.0	0.0	0.1	0.1

INDIVIDUAL INCOME TAX (Continued)

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Legal reference: Art. TG Sec. 10-727 Personal Income Tax Credit for Bio-heating oil for use in space or water heating Note: Effective July 1, 2008. Sunsets June 30, 2013.				
		Negligible		
Legal reference: Art. TG Sec. 10-728 Job Creation and Recovery Tax Credit	0.0	0.0	7.5	0.0
Legal reference: Art. TG Sec. 10-729 Tax Credit for Electric Vehicle Recharging Equipment	0.0	0.0	0.0	0.2
Legal reference: Art. TG Sec. 10-730 Tax Credit for Qualified Film Production Entities Note: Used to be a rebate until SB 672 (2011)	1.3	0.3	0.5	4.8
Miscellaneous Provisions: Legal reference: Art. TG Sec. 13-908 Abatement of income tax for U.S. military/civilian employees killed as a result of combat or terrorism Note: Less than \$30,000 annually claimed to date.				
		Negligible		
Total	2,689.4	2,804.4	2,951.5	3,103.5
<i>Total on page iv, Statistical Summary of Tax Expenditures by Tax, excludes following which are included in above total.</i>				
Structural Tax Expenditures	-720.1	-727.3	-734.6	-741.9
Dividends and interest on U.S. Obligations	-34.8	-35.3	-36.2	-36.3
Taxes paid by resident to another state	-204.3	-189.0	-203.2	-215.1
<i>Total on page iv, Statistical Summary of Tax Expenditures by Tax, excludes following which are included in above total.</i>	1,730.3	1,852.8	1,977.4	2,110.1

INSURANCE PREMIUM TAX

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Exemptions from the tax for:				
Legal reference: INS Sec. 6-101				
Premiums for nonprofit health service plans	27.3	27.0	27.8	28.7
Premiums for non-profit health maintenance organizations	1.1	1.2	1.3	1.4
Premiums for for-profit health maintenance organizations	69.1	70.9	72.0	73.0
Note: For-profit HMOs are assessed a 2% premium tax which goes directly to the Rate Stabilization Fund. However, they do not provide any premium tax revenue to the general fund.				
Premium for fraternal beneficiary corporations	1.5	1.6	1.7	1.8
Legal reference: Ins. Sec. 6-103				
Annuities	98.0	96.0	99.4	103.0
Tax credits for:				
Legal reference: Art. Ins. Sec. 6-105				
Rehabilitating historic/heritage structures	6.2	5.5	7.5	8.4
Note: all commercial projects limited to \$25m in 2004, then converted to a grant program.				
Expenses for hiring qualified low income employees			No reliable estimate	
Note: Effective for persons hired through 6/30/06				
Donations to non-profit neighborhood revitalization projects			No reliable estimate	
Legal reference: Art. Ins. Sec. 6-114				
Job creation	0.6	0.6	0.6	0.6
Note: Applies for employees hired after 1/1/96.				

INSURANCE PREMIUM TAX (Continued)

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Legal reference: Art. Ins. Sec. 6-115 Expenses for hiring qualified disabled employees Note: Sunsets June 30, 2012.				
				No reliable estimate
Legal reference: Art. Ins. Sec. 6-116 Businesses that create new jobs				
				No reliable estimate
Legal reference: Art. Ins. Sec. 6-117 Expenses for employer-paid long-term care insurance premiums				
				No reliable estimate
Legal reference: Art. Ins. Sec. 6-118 Expenses for work-based learning programs Note: Sunsets 6/30/13. Established in 1998.				
				No reliable estimate
Legal reference: Art. Ins. Sec. 6-119 Costs associated with One Maryland economic development projects.				
				Entire credit in Corporate and Individual Income Tax
Legal reference: Art. Ins. Sec. 6-120 Expenses for employer-provided commuter benefits Note: Average \$61,000 per year between FY 2003 and FY 2008.				
				Negligible
Total: State General Funds	203.7	202.7	210.3	216.9

MOTOR VEHICLE TITLING TAX

Millions of Dollars			
FY 09	FY 10	FY 11	FY 12

Legal reference: Art. TR Sec. 13-102

Exemptions from vehicle titling requirement for:

Farm equipment

No reliable estimate

Vehicles owned by U.S.

No reliable estimate

Legal reference: Art. TR Sec. 13-809

Credit of vehicle titling tax for:

Out-of-state sales or excise tax paid by persons moving to Maryland

4.4

4.4

4.4

4.4

Legal reference: Art. TR Sec. 13-810

Exemption from the titling tax for:

Registered passenger buses

No reliable estimate

Registered truck tractors

No reliable estimate

Vehicles owned by state and its subdivisions

No reliable estimate

Vehicles purchased for short-term rental purposes

47.8

49.7

54.1

55.4

Leased vehicles purchased by the lessee

No reliable estimate

Miscellaneous exemptions for:

Red Cross vehicles

No reliable estimate

Mobile homes over 35 feet

No reliable estimate

Buses used for public school transportation

No reliable estimate

Vehicles owned by private schools

No reliable estimate

<u>MOTOR VEHICLE TITLING TAX (Continued)</u>	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Fire engines and fire department apparatus		No reliable estimate		
Vehicles owned by U.S. and used in an investigation		No reliable estimate		
Buses used for handicapped transportation		No reliable estimate		
Reciprocal exemption from titling tax for out-of-state law enforcement vehicles		No reliable estimate		
School buses owned by religious organizations		No reliable estimate		
Civil Air Patrol vehicles		No reliable estimate		
Vehicles owned by veterans' organizations		No reliable estimate		
Hearing and vision screening vehicles		No reliable estimate		
Vehicles transferred into an inter vivos trust if transferor is the beneficiary		No reliable estimate		
Excluding the value of trade-ins	56.5	59.7	62.6	68.3
Total: Miscellaneous titling tax exemptions		No reliable estimate		
Legal reference: Art. TR Sec. 13-815				
Exemption from the titling tax for:				
Electric vehicles	N/A	N/A	0.3	1.6
Note: Applies for qualified vehicles titled 10/1/2010 - 6/30/2013. HB 469 (2010).				
Total	108.7	113.8	121.2	128.2
Distribution:				
Net State Special Funds	76.1	79.6	83.0	102.3
General Funds	0.0	22.2	27.9	14.5
Local Governments (Highway User Revenue)	32.6	11.9	10.3	11.4
Total on page iv, Statistical Summary of Tax Expenditures by Tax, excludes following which is included in above total.				
Vehicles purchased for short-term rental purposes	-47.8	-49.7	-54.1	-55.4
Total on page iv, Statistical Summary of Tax Expenditures by Tax, excludes following which is included in above total.	60.9	64.1	67.0	72.7

STATE PROPERTY TAX

Millions of Dollars

FY 09 FY 10 FY 11 FY 12

Exemptions for property used for or by:

Legal reference: Art. TP Sec. 7-201

Nonprofit cemetery and mausoleum property

0.2 0.2 0.2 0.2

Legal reference: Art. TP Sec. 7-202

Educational uses

3.5 3.8 4.2 4.5

Nonprofit housing for the elderly

0.5 0.5 0.5 0.6

Nonprofit hospitals and health facilities

4.2 4.7 5.3 5.3

Lodges, trade and civic associations, clubs, and other nonprofit organizations

1.8 2.0 2.2 2.2

Note: Includes charitable organizations, church societies & clubs.

Youth camps

1.0 1.1 1.1 1.2

Note: Additional legal references: TP 7-212, 233.

Legal reference: Art. TP Sec. 7-203

The Chesapeake Bay Foundation

0.0 0.0 0.0 0.0

Note: Revenue loss is Less than 30k annually.

Legal reference: Art. TP Sec. 7-204

Religious organizations

8.6 9.3 10.2 10.4

STATE PROPERTY TAX (Continued)

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Legal reference: Art TP Sec. 7-205 Community water systems				
			No reliable estimate	
Legal reference: Art. TP Sec. 7-206 Continuing care facilities for the aged				
			No reliable estimate	
Legal reference: Art. TP Sec. 7-207 Exclusion of \$15,000 of assessed value for blind and surviving spouses Note: Revenue loss is less than \$40k annually.	0.1	0.1	0.1	0.1
Legal reference: Art. TP Sec. 7-208 Disabled veterans and surviving spouses	1.4	1.6	1.6	1.5
Legal reference: Art. TP Sec. 7-209 F.N. for HB114 effective FY07 Volunteer fire companies	0.4	0.4	0.5	0.5
Legal reference: Art. TP Sec. 7-210,11 Federal government property	13.0	12.9	13.3	13.3
Local government property	31.7	34.4	35.2	36.1
State government property	12.7	14.8	15.4	15.5
Property used for heating/cooling of state owned/occupied property Note: No revenue loss; properties potentially affected are already tax exempt.	0.0	0.0	0.0	0.0
Legal reference: Art. TP Sec. 7-214 Historical societies and war memorials	0.2	0.3	0.3	0.3
Legal reference: Art. TP Sec. 7-215 Housing authorities	1.8	2.0	2.1	2.0

STATE PROPERTY TAX (Continued)	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Legal reference: Art. TP Sec. 7-234 Veterans' organizations	0.1	0.1	0.1	0.1
Legal reference: Art. TP Sec. 7-242 Wind Energy Equipment and Solar energy property Note: Enacted by HB 1171 (2009) for wind, HB 377 (2008) for solar	0.0	0.0	0.0	0.0
Legal reference: Art. TP Sec. 7-299 Miscellaneous property tax exemptions. Note: Includes property of foreign governments, fairgrounds, solar energy devices, etc.	0.4	0.4	0.4	0.4
Legal reference: Art. TP Sec. 7-303 Landing areas at privately owned, public use airports Note: Tax expenditure is under \$5,000 annually	Negligible			
Legal reference: Art. TP Sec. 9-105 Homestead property tax credit for properties with assessment increases over 10% Note: Local governments forego about 16 times the State credits. See SB 520, HB 199 (2010)	86.8	78.9	36.1	8.4
Legal reference: Art. TP Sec. 9-104; Art. TG Sec. TP Sec. 9-102 Homeowners' Tax Credits	50.3	55.4	55.6	59.2
Renters' Tax Credit	2.2	2.7	2.4	3.2
Legal reference: Art. TP Sec. 9-103 Urban Enterprise Zone Tax Credit	4.7	17.5	15.2	19.0
Legal reference: Art. ED Sec. 5-105 BRAC Zone Tax Credit	N/A	N/A	0.2	0.4
Total: State Special Funds	225.6	243.1	202.2	184.2

PUBLIC SERVICE CO. FRANCHISE TAX

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Legal reference: Art. TG Sec. 8-401 Exemption for Internet services				
			No reliable estimate	
Tax Credits for:				
Legal reference: Art. TG Sec. 8-406 Credit for purchase of MD-mined coal. Note: HB 101 (2009) reduced the cap to \$4.5 Million for 2009-2012; \$6 Million for 2013-2014; \$3 Million for 2015-2020. Phased out 2021.	4.5	4.5	4.5	4.5
Rehabilitating historic/heritage structures			No reliable estimate	
Legal reference: Art. TG Sec. 8-407 Telephone lifeline service	0.3	0.3	0.3	0.3
Legal reference: Art. TG Sec. 8-410 Expenses for wages/child care for hiring qualified employees Note: Effective for persons hired through 7/1/06.			Repealed	
Legal reference: Art. TG Sec. 8-411 Job creation			No reliable estimate	
Legal reference: Art. TG Sec. 8-412 Donations to non-profit neighborhood revitalization projects			No reliable estimate	
Legal reference: Art. TG Sec. 8-413 Expenses for hiring qualified disabled employees Note: Sunsets June 30, 2012.			No reliable estimate	

PUBLIC SERVICE CO. FRANCHISE TAX (Continued)

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Legal reference: Art. TG Sec. 8-415				
Expenses for student work-based learning programs		No reliable estimate		
Note: Less than \$50,000 was claimed annually.				
Expenses for employer-paid long-term care insurance premiums		No reliable estimate		
Legal reference: Art. TG Sec 8-417				
Sales to large industrial customers for production activity	1.6	1.5	1.5	1.5
Legal Reference: Art. TG Sec. 8-214				
Financial institution franchise tax credit for donations to nonprofit neighborhood revitalization projects		No reliable estimate		
Total: State General Funds	6.4	6.3	6.3	6.3

SALES AND USE TAX

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Exemptions or exclusions for:				
Legal reference: Art. TG Sec. 11-101				
"Core value" of used truck parts exchanged for remanufactured parts	0.1	0.1	0.1	0.1
Expense reimbursements while providing taxable detective resources	0.2	0.2	0.2	0.2
Separately-stated Admissions & Amusement tax charges	0.2	0.2	0.2	0.2
Legal reference: Art. TG Sec. 11-104				
40% of the purchase price for retail sales of new mobile homes - HB 810 (1998).	1.8	1.6	1.6	1.7
Legal reference: Art. TG Sec. 11-201				
Sales for agricultural purposes or of agricultural products	87.0	75.4	78.9	83.1
Sales through bulk vending machines.	1.0	1.0	1.0	1.1
Legal reference: Art. TG Sec. 11-202				
Cylinder demurrages charges	0.7	0.7	0.7	0.7
Legal reference: Art. TG Sec. 11-204				
Sales to cemetery companies		No reliable estimate		
Sales to credit unions	0.3	0.3	0.3	0.3
Sales to charitable organizations	95.4	94.6	98.9	104.6
Sales for fund raising to benefit schools/students	1.2	1.2	1.2	1.3
Sales to educational organizations	11.1	11.0	11.5	12.2
Sales under \$500 to non profit senior citizens' organizations		No reliable estimate		
Sales to fire, rescue, and ambulance companies	1.5	1.5	1.6	1.6

SALES AND USE TAX (Continued)

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Sales by hospital thrift shops	0.1	0.1	0.1	0.1
Sales by State mental hospital gift shops	0.0	0.0	0.0	0.0
Note: There are no gift shops in these institutions				
Facilities operated under MD Vending Program for the Blind on military bases			Negligible	
Note: Expected revenue cost is under \$15,000 annually				
Sales to certain out-of-state non-profit organizations			No reliable estimate	
Sales to veterans' organizations	0.1	0.1	0.1	0.1
Note: Extended by SB 44 (2009) to June 30, 2012.				
Sales to religious organizations	13.7	13.6	14.2	15.0
Sales by religious organizations	4.5	4.5	4.7	4.9
Legal reference: Art. TG Sec. 11-205				
Sales of US, Maryland & POW/MIA flags			No reliable estimate	
Legal reference: Art. TG Sec. 11-206				
Sales of crabs and seafood for consumption off premises	2.1	2.1	2.1	2.2
Sales of food at schools, colleges and universities	19.9	19.6	20.4	21.0
Sales of food for consumption off premises	530.1	522.8	543.0	559.7
Sales of food to support fire, rescue and ambulance companies	0.1	0.1	0.1	0.1
Sales of food on vehicles engaged in interstate commerce			No reliable estimate	
Note: Comptroller believes that such sales would be exempt under the U.S. Constitution				
Sales of certain "healthy" foods sold through vending machines	0.5	0.5	0.5	0.5
Sales of food by religious organizations	6.8	6.7	6.9	7.1

<u>SALES AND USE TAX (Continued)</u>	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Sales of food to support veterans' organizations	1.6	1.6	1.7	1.8
Food delivered for immediate consumption by a non-profit vendor	0.3	0.3	0.3	0.3
Legal reference: Art. TG Sec. 11-207				
Residential sales of electricity to a non-profit planned retirement community	0.3	0.3	0.3	0.3
Fuel rate adjustment charges on sales of electricity, etc. used in the common areas of residential	0.6	0.6	0.6	0.7
Residential sales of fuel, electricity, steam, natural or artificial gas, etc.	263.1	266.2	269.4	272.7
Legal reference: Art. TG Sec. 11-208				
Sales of film or tape used in television broadcasting	0.5	0.5	0.5	0.5
Note: One taxpayer involved.				
Sales of marine equipment or machinery for ocean going vessels	0.8	0.8	0.8	0.8
Sales of vehicles used in interstate commerce	15.5	14.7	14.9	15.4
Legal reference: Art. TG Sec. 11-209				
Casual and isolated sales			No reliable estimate	
Certain transfers of business property			No reliable estimate	

SALES AND USE TAX (Continued)

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Legal reference: Art. TG Sec. 11-210				
Sales of tangible personal property used predominantly in a production activity	89.2	88.5	94.8	99.9
Sales of certain bakery equipment	No reliable estimate			
Note: Probably under \$25,000 annually.				
Sales of certain telecommunications machinery & equipment to enable digital broadcasting	0.0	0.0	0.0	0.0
Sales of machinery and utilities used to produce bituminous concrete	0.3	0.3	0.3	0.3
Legal reference: Art. TG Sec. 11-211				
Sales of medicine, medical supplies and health aids	108.3	107.4	112.3	118.7
Legal reference: Art. TG Sec. 11-212				
Sales of wood products and fuel for mining purposes	No reliable estimate			
Sales of diesel fuel used in coal mine reclamation	No reliable estimate			
Note: Less than \$20,000 annually.				
Legal reference: Art. TG Sec. 11-213				
Sale of used mobile homes	1.5	1.3	1.4	1.4
Legal reference: Art. TG Sec 11-214				
Use of nonresident personal property	No reliable estimate			
Sales of precious metal coins or bullion over \$1k	1.5	2.0	2.4	2.9

<u>SALES AND USE TAX (Continued)</u>	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Legal reference: Art. TG Sec. 11-215				
Sales and printing of free newspapers	3.3	3.3	3.4	3.6
Sales of out-of-state direct mail advertising materials	3.9	3.9	4.0	4.3
Sales of photographic and artistic materials used in publication	10.2	10.1	10.6	11.2
Sales of government documents, publications, etc.	3.7	3.7	3.8	4.1
Legal reference: Art. TG Sec. 11-216				
Sales of tangible personal property to nonprofit organizations for use in another state.			No reliable estimate	
Note: Revenue loss is included in exemptions under TG Sec. 11-204.				
Legal reference: Art. TG Sec. 11-217				
Certain sales for research and development purposes	21.9	20.8	21.0	21.8
Legal reference: Art. TG Sec. 11-218				
Sales of seafood harvesting equipment	2.5	2.4	2.4	2.5
Sales of fuel or repair parts for commercial vessels			No reliable estimate	
Legal reference: Art. TG Sec. 11-219				
Optional computer software maintenance contracts	6.5	6.4	6.7	7.1
Legal reference: Art. TG Sec. 11-220				
Sales to the State and its political subdivisions	348.7	345.7	361.4	382.2
Legal reference: Art. TG Sec. 11-221				
Long-term motor vehicle leases	20.1	19.9	20.8	22.0
Sales of motor fuel subject to the motor fuel or motor carrier tax	435.3	431.6	451.2	477.1

<u>SALES AND USE TAX (Continued)</u>	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Sales of motor vehicles, except house/office trailers, subject to the motor vehicle excise tax	570.7	603.1	657.6	725.3
Trade-in allowance against motor vehicle excise tax	0.4	0.4	0.4	0.4
Sales of admissions subject to the Admissions & Amusement tax	65.5	66.2	66.8	67.5
Sales of materials taxed under other laws	No reliable estimate			
Sales of vessels subject to the boat excise tax	22.7	14.3	11.5	7.0
Sales of certain communications services subject to the federal excise tax	79.1	75.2	75.9	78.7
Sales of rentals of motion pictures subject to the Admissions & Amusement tax	No reliable estimate			
Sales of items taxed in another state	No reliable estimate			
Note: Exemption may be constitutionally required				
Legal reference: Art. TG Sec. 11-222				
Sales of testing equipment to be transferred to U.S. Government	No reliable estimate			
Legal reference: Art. TG Sec. 11-223				
Sales of buses for use in public transportation systems	1.3	1.2	1.2	1.3
Legal reference: Art. TG Sec. 11-224				
Sales of water through pipes	34.0	34.3	34.7	35.0
Legal reference: Art. TG Sec. 11-225				
Sales of certain computer programs	2.4	2.3	2.3	2.4
Legal reference: Art. TG Sec. 11-226				
Sales of certain energy efficient appliances	No reliable estimate			
Sales of multifuel pellet stoves designed to burn agricultural field corn	No reliable estimate			
Note: expected to cost about \$25,000 annually.				
Legal reference: Art. TG Sec. 11-227				
Sales of property or services used in film production activity	0.5	0.5	0.4	0.4

<u>SALES AND USE TAX (Continued)</u>	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Legal reference: Art. TG Sec. 11-228 Back to school clothing and footwear tax free period	0.0	0.0	9.6	10.1
Legal reference: Art. TG Sec. 11-229 Sales of power to operate machinery used to produce snow for commercial purposes Note: Probably under \$10,000 annually	No reliable estimate			
Legal reference: Art. TG Sec. 11-230 Sales of geothermal, wind or solar energy equipment. Effective July 1, 2008	0.2	0.2	0.2	0.3
Legal reference: Art. TG Sec. 11-231 Sales of space at Corporate Training Centers Note: Tax Exempt as per HB 855 (2010)	0.4	0.4	0.4	0.4
Total:	2,894.6	2,887.6	3,034.1	3,198.0
State General Funds	2,741.2	2,734.5	2,873.3	3,198.0
Special Funds (Transportation Trust Fund)	153.4	153.0	160.8	0.0
<i>Total on page iv, Statistical Summary of Tax Expenditures by Tax, excludes following which are included in above total.</i>				
Expense reimbursements while providing taxable detective resources	-0.2	-0.2	-0.2	-0.2
Separately stated Admissions & Amusement tax charges.	-0.2	-0.2	-0.2	-0.2
Sales of government documents, publications, etc.	-3.7	-3.7	-3.8	-4.1
Sales to the State and its political subdivisions	-348.7	-345.7	-361.4	-382.2
Long-term motor vehicle leases	-20.1	-19.9	-20.8	-22.0
Sales of motor fuel subject to the motor fuel or motor carrier tax	-435.3	-431.6	-451.2	-477.1
Sales of motor vehicles, except house/office trailers, subject to motor vehicle excise tax	-571.0	-603.4	-658.0	-725.7
Sales of vessels subject to the boat excise tax	-22.7	-14.3	-11.5	-7.0
Sales of certain communications services subject to the federal excise tax	-79.1	-75.2	-75.9	-78.7
Sales of buses for use in public transportation systems	-1.3	-1.2	-1.2	-1.3
Total sales & use tax excluding the above items	1,412.3	1,392.0	1,449.8	1,499.5

TOBACCO TAX

Millions of Dollars
FY 09 FY 10 FY 11 FY 12

Legal Reference: Art. TG Sec. 12-104

Exemption from the tobacco tax for:

Cigarettes brought into the state in small quantities

Other tobacco products brought into the state in small quantities

Cigarettes for sale at post exchanges and commissaries

Other tobacco products for sale at post exchanges and commissaries

No reliable estimate

No reliable estimate

No reliable estimate

No reliable estimate

Total

No reliable estimate

MOTOR VEHICLE REGISTRATION FEES

Legal reference: Art. TR Sec. 13-903

Exemption from registration fees for:

Fire and rescue vehicles

Vehicles owned by U.S., Maryland or local governments

Miscellaneous Exemptions for:

Vehicles owned by disabled veterans

Note: Under \$50,000 annually.

American Legion's "40-8 box car"

Vehicles owned by the Red Cross

Fire buff canteen wagons

Reciprocal exemptions for out-of-state law enforcement vehicles

School vehicles owned by religious organizations

Civil Air Patrol vehicles

Vehicles owned by veterans' organizations

Total: Miscellaneous exemptions

Total

Distribution:

Net State Special Funds

General Funds

Local Governments (Highway User Revenues)

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Fire and rescue vehicles	0.3	0.3	0.3	0.3
Vehicles owned by U.S., Maryland or local governments	4.1	3.9	3.9	4.0
Vehicles owned by disabled veterans	Negligible			
American Legion's "40-8 box car"	No reliable estimate			
Vehicles owned by the Red Cross	No reliable estimate			
Fire buff canteen wagons	No reliable estimate			
Reciprocal exemptions for out-of-state law enforcement vehicles	No reliable estimate			
School vehicles owned by religious organizations	No reliable estimate			
Civil Air Patrol vehicles	No reliable estimate			
Vehicles owned by veterans' organizations	No reliable estimate			
Total: Miscellaneous exemptions	0.3	0.3	0.3	0.3
Total	4.7	4.5	4.5	4.6
Net State Special Funds	3.3	3.2	3.1	3.7
General Funds	0.0	0.9	1.0	0.5
Local Governments (Highway User Revenues)	1.4	0.5	0.4	0.4

PROPERTY TRANSFER TAX

	Millions of Dollars			
	FY 09	FY 10	FY 11	FY 12
Legal reference: Art. TP Sec. 13-203				
Exemptions from state transfer tax for:				
Tax rate halved for first time Maryland home buyers	13.2	10.1	9.1	8.2
Miscellaneous Exemptions:		No reliable estimate		
Legal reference: Art. TP Sec. 12-108 and 13-107				
Exemptions from state transfer tax for:				
Transfers made from estates with no consideration and to and from trusts		No reliable estimate		
Legal reference: Art. TP Sec. 13-207				
Conversions of foreign entities to LLCs		No reliable estimate		
Corporate or partnership conveyances		No reliable estimate		
Mergers, consolidations or transfers from partnerships to LLCs		No reliable estimate		
Transfers of corporate property between related corporations		No reliable estimate		
Transfers upon conversion of joint ventures or sole proprietorships to an LLC		No reliable estimate		
Transfers of supplemental, prev recorded instruments/deeds for prior contract of sale		No reliable estimate		
Transfers between spouses, former spouses or relatives		No reliable estimate		
Transfers to governments or public agencies		No reliable estimate		
Transfers for cooperative housing corporations		No reliable estimate		
Judgments, orders of satisfaction or participation agreements		No reliable estimate		
Land installment contracts, options to purchase real prop or short-term leases		No reliable estimate		
Transfers between domestic partners, former domestic partners or relatives		No reliable estimate		
Total: State Special Funds	13.2	10.1	9.1	8.2